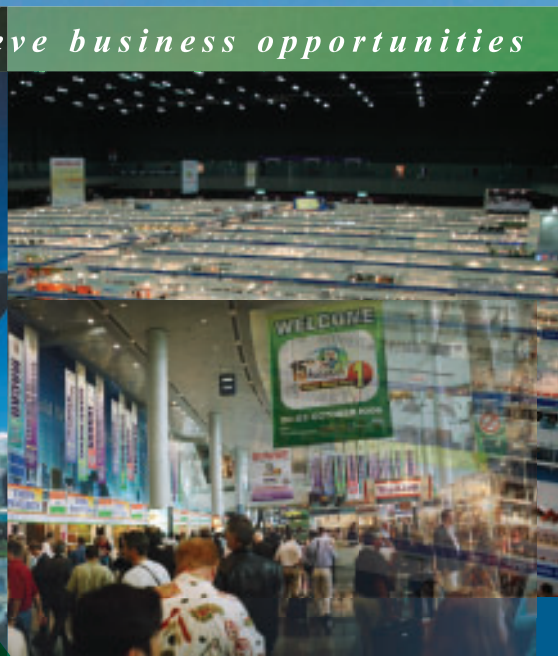


A Gateway to achieve business opportunities



二零零七年 年報
2007 ANNUAL REPORT



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

IP KI CHEUNG (CHAIRMAN)
CHEUNG SHUI KWAI (MANAGING DIRECTOR)
CHAN SIU CHUNG

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN WING YAU, GEORGE
LAI YANG CHAU, EUGENE
LAW SUNG CHING, GAVIN

AUDIT COMMITTEE

CHAN WING YAU, GEORGE (CHAIRMAN)
LAI YANG CHAU, EUGENE
LAW SUNG CHING, GAVIN

REMUNERATION COMMITTEE

CHAN WING YAU, GEORGE (CHAIRMAN)
LAW SUNG CHING, GAVIN
CHAN SIU CHUNG

NOMINATION COMMITTEE

LAW SUNG CHING, GAVIN (CHAIRMAN)
LAI YANG CHAU, EUGENE
IP KI CHEUNG

COMPANY SECRETARY

HUNG CHUNG WAH
ACCA, CPA

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

28/F., TOWER 6, THE GATEWAY,
HARBOUR CITY, 9 CANTON ROAD, TSIM SHA TSUI,
KOWLOON, HONG KONG

REGISTERED OFFICE

CRICKET SQUARE,
HUTCHINS DRIVE,
P.O. BOX 2681,
GRAND CAYMAN, KY1-1111
CAYMAN ISLANDS

PRINCIPAL BANKERS

BANK OF CHINA (HONG KONG) LIMITED
THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED

AUDITORS

HLB HODGSON IMPEY CHENG
Chartered Accountants
Certified Public Accountants
31/F., GLOUCESTER TOWER, THE LANDMARK,
11 PEDDER STREET, CENTRAL,
HONG KONG

SHARE REGISTRAR

TENGIS LIMITED
(To be renamed TRICOR TENGIS LIMITED with effect
from 1 August 2007)
26/F., TESBURY CENTRE,
28 QUEEN'S ROAD EAST,
WANCHAI, HONG KONG

FINANCIAL RELATIONS CONSULTANTS

STRATEGIC FINANCIAL RELATIONS LIMITED
UNIT A, 29/F., ADMIRALTY CENTRE 1,
18 HARCOURT ROAD, HONG KONG

U SIX HOLDINGS LIMITED
SUITE 6209, 62/F., THE CENTER,
99 QUEEN'S ROAD CENTRAL, HONG KONG

董事會

執行董事

葉紀章(主席)
張瑞貴(董事總經理)
陳兆忠

獨立非執行董事

陳永祐
黎灝洲
羅崇禎

審核委員會

陳永祐(主席)
黎灝洲
羅崇禎

薪酬委員會

陳永祐(主席)
羅崇禎
陳兆忠

提名委員會

羅崇禎(主席)
黎灝洲
葉紀章

公司秘書

洪從華
ACCA, CPA

香港主要營業地點

香港九龍尖沙咀廣東道9號
海港城港威大廈第6座28樓

註冊辦事處

CRICKET SQUARE,
HUTCHINS DRIVE,
P.O. BOX 2681,
GRAND CAYMAN, KY1-1111
CAYMAN ISLANDS

主要來往銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師
香港中環畢打街11號
置地廣場告羅士打大廈31樓

股份登記處

登捷時有限公司
(於二零零七年八月一日起，
名稱更改為卓佳登捷時有限公司)
香港皇后大道東28號
金鐘匯中心26樓

財經公關顧問

縱橫財經公關顧問有限公司
香港金鐘夏慤道18號
海富中心第1期29樓A室

裕陸控股有限公司
香港中環皇后大道中99號
中環中心62樓6209室

CORPORATE PROFILE

公司簡介

Kenfair International (Holdings) Limited ("Kenfair International" or the "Company", together with its subsidiaries, the "Group") is a leading and renowned trade exhibition organizer in Hong Kong. Since its establishment in 1991, the Group has been thriving on its mission to serve as "a gateway to achieve business opportunities" for Asian manufacturers and global buyers through offering world-class trade fairs and other related services. Over a decade of solid growth, Kenfair International was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 223) on 10 April 2002.

The Group's enormous databank consists of over 1,000,000 international buyers and Asian manufacturers in the toys, gifts, premium and household products industries. The state-of-the-art databank plays a vital role in ensuring the high attendance and overall success of the Group's trade fairs.

The Group's flagship twin-event **Hong Kong International Toys & Gifts Show** and **Asian Gifts Premium & Household Products Show** (collectively known as "**Mega Show Part 1**") is the Group's annual highlight. Mega Show Part 1 has grown remarkably since its debut in 1992 to become the largest trade fairs for toys, gifts, premium and houseware in Asia. The significance of Mega Show Part 1 in the international exhibition arena is reinforced by the endorsement of it in October 2002 by UFI, the Global Association of the Exhibition Industry, as a "UFI-Approved Event".

The increasing demand for professional trade fairs on toys, gifts, premium and household products prompted the Group to pair **Mega Show Part 1** with its another trade fair namely **Mega Show Part 2** into the "**Mega Show**" series in October 2004. Mega Show Part 2 follows Mega Show Part 1 just a few days later to expand the business opportunities for suppliers and worldwide buyers. In 2005, Mega Show Part 2 was accredited as a "UFI-approved event".

In October 2006, the Group co-operate with the Hong Kong Trade Development Council in launching the 1st **Hong Kong International Furniture Fair** in the city. And in October 2007, the Group will launch its 1st "Mega Macao".

The Group began eyeing the overseas market at the turn of 2000, and launched the inaugural Asia Expo in London in February 2001. Now hailed as the largest trade fair for Asian-made merchandises in the United Kingdom ("U.K."), **Asia Expo** gained UFI-endorsement in October 2003. Replicating this successful initiative, **Kenfair Asian expo** made its debut in Las Vegas, the United States ("U.S.") in August 2003. The Group then further expanded the "**Asia Expo**" series in June 2005 by launching new edition of **Asia Expo** in Warsaw, Poland.

To facilitate growth of Kenfair International in the People's Republic of China ("China"), the Group has established three China-based subsidiaries in Beijing, Shanghai and Chengdu and two branch offices in Shenzhen and Dongguan to prepare for the launch of the Group's branded exhibition series in China.

The Group began in October 2002 to diversify its business scope and services beyond the exhibition halls by launching a trade magazine, **MegAsia**. As a cost-effective advertising channel for Hong Kong and Asian suppliers and a premier sourcing guide for global buyers, each edition of MegAsia is packed with hundred pages of suppliers' product advertisements, the latest product trends on toys, gifts, premium and household products, updated industry news, exhibition information and in-depth company profiles. The CD-ROM and online versions of the trade magazine, eMegAsia, were launched in October 2004, and MegAsia became a tri-annual magazine from June 2005.

To provide a non-stop product sourcing and trade platform for Asian manufacturers and international buyers, the Group operates www.kenfair.com, a 24-hour e-commerce portal with a host of value-added service to its customers.

Kenfair Travel Limited was set up in August 2003 to provide a one-stop travel-related service, including travel arrangement, air ticketing, hotel booking and tour packages, etc. to cater for every travel need of the exhibitors and buyers attending the Group's trade fairs.

Kenfair International will continue its unrelenting efforts to deliver world-class exhibitions and value-added services to its customers, and further strengthen its position as a leading exhibition organizer in Hong Kong and the Asia-Pacific region.

FINANCIAL HIGHLIGHTS

財務摘要

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (Restated) (重列)	2004 HK\$'000 港幣千元 (Restated) (重列)	2003 HK\$'000 港幣千元 (Restated) (重列)
OPERATING PERFORMANCE 經營狀況					
Turnover 營業額	236,319	261,650	228,678	228,352	180,881
(Loss)/profit from operating activities 經營業務（虧損）／溢利	(29,988)	(28,683)	42,964	43,060	52,751
(Loss)/profit attributable to equity holders of the Company 本公司股東應佔 （虧損）／溢利	(34,411)	(33,191)	34,775	32,208	42,418
FINANCIAL POSITION 財務狀況					
Total assets 資產總值	120,848	156,357	205,690	193,208	153,490
Cash reserves 現金儲備	40,412	63,331	62,948	61,278	51,144
Total bank borrowings 銀行借貸總額	—	—	2,299	8,776	9,326
Net cash reserves 現金儲備淨額	40,412	63,331	60,649	52,502	41,818
Shareholders' funds 股東資金	45,796	73,504	115,811	116,256	90,591

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 2007 was a very challenging year. The local exhibition industry has become more competitive and nearby countries and regions have been aggressively developing their exhibition industry. All these have posed great pressure on and challenges to the Group's business.

During the year, the Group recorded a turnover of approximately 236,319,000, representing a decrease of approximately 10% when compared with the previous year. However, with a sound business model, strong financial resources, proven management capability and professional staff, Kenfair International is confident of sustaining its industry leadership and its ability to seize opportunities to launch new shows in different markets. We strongly believe our efforts will translate into more favourable returns for our shareholders in the coming years.

致各股東

二零零七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」)而言是充滿挑戰的一年。年內，本地展覽行業的競爭日趨激烈，而鄰近國家和地區亦積極發展其展覽業，為本集團的業務帶來重大壓力和挑戰。

年內，本集團錄得營業額約236,319,000港元，較去年下跌約10%。然而，憑藉本集團鞏固的業務基礎、穩健的財務資源、優秀的管理能力和專業團隊，建發國際有信心保持行內的領導地位，並把握機會，在不同市場推出新展覽會。我們深信所作出的努力將於未來為股東帶來理想的回報。

INDUSTRY OVERVIEW

Strategically located in Asia and a gateway to Mainland China, Hong Kong boasts distinct advantages over other cities in the region. These advantages have worked to build Hong Kong into a premier convention and exhibition centre in the region. The city is recognized today as Asia's trade fair capital. In 2005, Hong Kong hosted 292 conventions and exhibitions, which had drawn a total of 4,820,212 visitors, local and overseas.

Over the past few years, the exhibition sectors in neighboring countries and regions have been developing rapidly. Cities and provinces the Pan-Pearl River Delta Region including Macao, Guangdong and Sichuan, etc., have grown particularly fast and claimed prominent places in China's convention and exhibition services market.

In Macao, for example, the Macao SAR Government has invested a lot of resources in developing the city's exhibition industry, and with the launch of the city's largest convention and exhibition venue so far – the Venetian Macao Convention and Exhibition Center – in 2007, Macao's exhibition industry is expected to grow even faster.

To sustain its leadership in the world exhibition arena amid keen competition, Hong Kong has continued to enhance its ability in hosting first-class international exhibitions, for example, it opened the AsiaWorld-Expo exhibition centre at the end of 2005 and is expanding the Hong Kong Convention and Exhibition Centre ("HKCEC") with related works scheduled to complete in first half of 2009. The expanded HKCEC will have 40% more exhibition space. These endeavors will give local exhibition organizers ample room for development.

行業概覽

香港地處亞洲的策略性位置，是通往中國內地的門檻，較區內其他城市享有獨特的地利優勢，令這個城市成為區內最佳的會議及展覽中心，並獲公認為現今亞洲展覽之都。於二零零五年，本港共舉辦了292個會議及展覽，吸引合共4,820,212名本地及海外訪客蒞臨參觀。

過去數年，鄰近國家和地區的展覽行業迅速發展。泛珠三角地區包括澳門、廣東及四川等城市和省份的增長尤其快速，於中國會議及展覽服務市場迅速冒起。

以澳門為例，澳門特區政府近年投入大量資源發展當地展覽行業，隨著當地最大會議及展覽中心－澳門威尼斯人澳門會議展覽中心於二零零七年落成，預期將可推動澳門展覽行業更迅速發展。

為保持在競爭激烈的全球展覽行業的領導地位，香港繼續致力提升其舉辦一級國際展覽會的能力，當中包括於二零零五年底開幕的亞洲國際博覽館，及將於二零零九年上半年完成的香港會議及展覽中心(「會展」)擴建計劃。會展擴建後其展覽場地面積可擴大40%。這些措施將為本地的展覽會籌辦商提供龐大的發展空間。



CHAIRMAN 主席

Mr. Ip Ki Cheung 葉紀章先生

Kenfair International

Kenfair International is committed to realizing its mission of serving as “a gateway to achieve business opportunities” for Asian manufacturers and global buyers. During the year, the Group presented its “Mega Show” series, “Asia Expo” series, the Hong Kong Spring Fair and a brand new exhibition – the Hong Kong International Furniture Fair – co-organized with the Hong Kong Trade Development Council (“HKTD”) to provide exhibitors and buyers abundant opportunities in finding business associates, marketing products and sourcing goods.

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，本集團舉辦了「亞洲展覽盛事」系列、「亞洲博覽會」系列、「香港春季交易會」，並與香港貿易發展局（「貿發局」）合辦一項名為「香港國際家具展」的展覽會，為參展商及買家在尋找業務夥伴、推廣產品和採購貨品方面締造龐大商機。

Trade Exhibitions

Hong Kong

“Mega Show” series

The UFI approved Mega Show Part 1 (“Hong Kong International Toys & Gifts Show” and “Asian Gifts Premium & Household Products Show”) celebrated its 15th anniversary in October 2006. Over the years, the show has grown in scale to accommodate increasing number of exhibitors. This year’s mega show occupied also the new exhibition hall of HKCEC – the Expo Drive Hall and the Expo Drive Entrance. With the additional exhibition space, 3,475 exhibitors from 35 countries and regions were able to set up over 5,000 booths at the show to showcase their products.

Alibaba.com remained as the strategic media partner of this year’s Mega Show Part 1. Supported by this leading e-commerce platform in China, which has millions of registered users from over 200 countries and regions, the Group was able to enhance global exposure of the show, thereby maintained high buyer attendance for the 4-day event.

Positioned as the continuation of Mega Show Part 1, Mega Show Part 2 was staged at the HKCEC a few days after Mega Show Part 1. To cater to the growing demand for quality and exquisite tableware from buyers, a new zone – Table Object Asia – was added to the show for Asian tableware manufacturers to showcase their wide varieties of products to international buyers. The show featured a total of 1,192 booths set up by 879 exhibitors from 18 countries and regions.

This year’s “Mega Show” series attracted 75,403 international buyers, a very pleasing record for the Group.

2nd Hong Kong Spring Fair

For the second year, the Group hosted the Hong Kong Spring Fair from 9 to 12 January in 2007 at the AsiaWorld-Expo. A full range of light-industry products such as toys, gifts, premium, handicrafts, watches and clocks, custom jewellery, apparel and accessories, home appliances and other household products were displayed in a total of 560 booths by 442 manufacturers from over 10 countries and regions.

To enhance the content and improve the profitability of the show, the Group has begun to explore a new theme for the next show.

Hong Kong International Furniture Fair

During the year, the Group also launched a brand new fair – the Hong Kong International Furniture Fair – with the Hong Kong Trade Development Council (“HKTD”). The show was held from 27 to 30 October 2006 at the AsiaWorld-Expo.

Exhibits including indoor furniture, outdoor furniture, office furniture, parts and accessories for furniture, furniture for contract business, smart-home, smart-office solutions, designer furniture, ethnic furniture and antique furniture were presented by 166 manufacturers from 14 countries and regions, and over 7,300 buyers from 107 countries attended the show. Responses from exhibitors and buyers were positive, proving that the show had fulfilled its role as an effective trading platform for the international furniture industry.

貿易展覽會

香港

「亞洲展覽盛事」系列

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」）於二零零六年十月慶祝舉辦十五週年。多年來，該展覽會的規模日益壯大，以容納更多參展商。本年度的展覽會擴展至會展新增的博覽道及博覽道入口展覽館，讓是項展覽會合共容納來自35個國家和地區3,475名參展商，在場內設置超過5,000個攤位展示其產品。

阿里巴巴(Alibaba.com)繼續成為本年度「亞洲展覽盛事第一部份」的策略媒體合作夥伴。阿里巴巴擁有在中國首屈一指的電子商貿平台，共有來自超過二百個國家及地區達數百萬名註冊用戶，讓本集團可藉此向全球推廣該項展覽會，從而吸引更多買家參加這個為期四天的展覽盛事。

緊接「亞洲展覽盛事第一部份」後數天，「亞洲展覽盛事第二部份」亦假會展舉行。為了應付買家對質優精美餐桌用品與日俱增的需求，本集團於展覽會新增「亞洲餐桌用品展」專題展覽區，讓亞洲餐桌用品廠商可向國際買家展示其一系列產品。是屆展覽會共有879名來自18個國家及地區的參展商設置共1,192個攤位。

本年度的「亞洲展覽盛事」系列共吸引75,403名國家買家蒞臨參觀，成績斐然。

第二屆「香港春季交易會」

本集團於二零零七年一月九日至十二日假亞洲國際博覽館舉辦第二屆「香港春季交易會」。會上共有442名來自超過10個國家及地區的參展商設立560個攤位展示一系列輕工業產品，包括玩具、禮品、贈品、手工藝品、鐘錶、人造首飾、時裝及配件、家庭電器及其他家居用品。

為豐富交易會的內容及提高其盈利能力，本集團已開始構思下屆展覽會的全新主題。

「香港國際家具展」

年內，本集團與香港貿易發展局（「貿發局」）合作，於二零零六年十月二十七日至三十日假香港亞洲博覽館舉辦全新「香港國際家具展」。

是次展覽會共有166名來自14個國家及地區的廠商參與，展覽項目包括室內家具、室外家具、辦公室家具、家具部件及配件、家具承辦業務、智慧家居、智能辦公室方案、特色家具、民族色彩家具及古典家具。是次展覽會吸引來自107個國家合共7,300名買家入場參觀。參展商及買家均對是次展覽會反應熱烈，充分反映展覽會成功成為國際家具行業所認可的優秀貿易平台。

Overseas

Asia Expo – Poland

Held between 6 and 8 June 2006 in Warsaw, Poland, the 2nd Asia Expo-Poland housed a total of 483 booths featuring 436 Asian suppliers and received 4,037 buyers. Although the show achieved its goal in assisting Asian manufacturers to tap the huge Eastern European market, the Group decided to postpone the 2007 edition of Asia Expo-Poland and redirect the resources on to a new project in Macao.

Kenfair Asian expo

This year's Kenfair Asian expo was held from 24 to 26 August 2006 at Bayside D, Mandalay Bay Convention Center in Las Vegas. A wide range of Asian toys, gifts, premium and household products were shown in a total of 382 booths and 3,524 international buyers were drawn to the event.

With the usual timeslot for the show taken by another event next year, after careful consideration, the Group decided to postpone the next Kenfair Asian expo until an ideal timeslot is found.

Asia Expo

The 7th Asia Expo was held from 30 January to 2 February in 2007 at the Grand Hall, Olympia Exhibition Centre, London, the United Kingdom (the "U.K."). The show was again well received with 604 exhibitors from major Asian countries and regions presenting 631 booths to showcase their wide range of products and a buyer attendance of 10,161 from 76 countries, which was 18% more than that of the 2006 edition.

海外

「波蘭—亞洲博覽會」

第二屆「波蘭-亞洲博覽會」於二零零六年六月六日至八日在波蘭華沙舉行，共有436名亞洲廠商設置483個攤位，吸引逾4,037名買家蒞臨參觀。儘管博覽會成功達致協助亞洲廠商進軍潛力龐大的東歐市場的目標，惟本集團已決定於二零零七年暫停舉辦「波蘭-亞洲博覽會」，以集中資源籌辦於澳門舉行的全新展覽會項目。

「拉斯維加斯-亞洲博覽會」

本年度的「拉斯維加斯-亞洲博覽會」已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，共設有382個攤位展示一系列亞洲玩具、禮品、贈品及家居用品，吸引3,524名國際買家入場參觀。

由於二零零七年度是項展覽會的舉行時段將被用以舉辦另一項展覽會，本集團經審慎考慮後，決定暫停舉辦下屆「拉斯維加斯-亞洲博覽會」至覓得理想舉辦時段為止。

「亞洲博覽會」

第七屆「亞洲博覽會」已於二零零七年一月三十日至二月二日在英國倫敦Olympia Exhibition Centre的Grand Hall順利舉行。是次展覽會由604名來自亞洲各主要國家的參展商設置631個攤位，向來自76個國家共10,161名買家展示其產品。入場買家人數較二零零六年高出18%。

EXHIBITION-RELATED BUSINESS

Apart from bringing in stable incomes for Kenfair International, the Group's exhibition-related business including MegAsia, www.kenfair.com and Kenfair Travel limited has been an effective complement to the Group's expanding trade exhibition business. It has served to enhance the Group's capability in providing exhibitors and buyers with more comprehensive exhibition services.

展覽相關服務

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，在為本集團帶來穩定收入的同時，亦有效輔助本集團擴展其貿易展覽會業務，並有效提升本集團為參展商及買家提供更全面展覽服務的能力。

FUTURE OPPORTUNITIES

In the coming year, the Group will strive to maintain its leading position in the local exhibition industry by enhancing the quality and services of its famed trade fairs and also explore new opportunities in different markets. It will launch two brand new exhibitions – Mega Macao in Macao and the Asia Jewellery expo in London. These two new exhibitions will see the Group expand its exhibition business in the Pan-Pearl River Delta Region and overseas market.

To strengthen its global exposure, the Group will maintain its partnership with the world-renowned Hong Kong-based airline, Cathay Pacific Airways Limited (“Cathy Pacific”), which is the sole official carrier for its shows in Hong Kong including the “Mega Show” series. Also, Alibaba.com will continue to be the official trade media partner of Mega Show Part 1.

前景

未來，本集團將致力持續提升其享負盛名的貿易展覽會的質素及服務，及於不同市場發掘新商機，以維持其於本地展覽行業的領導地位。本集團即將推出兩項全新展覽會，分別為於澳門舉行的「澳門國際消費品展」及於倫敦舉行的「亞洲珠寶展」(Asian Jewellery expo)。此等全新展覽會將有助本集團擴展其於泛珠三角地區及海外市場的展覽業務。

同時，本集團將繼續維持與全球知名的香港航空公司 - 國泰航空有限公司(「國泰」)的合作夥伴關係，以增加本集團的國際知名度。國泰為本集團於香港舉辦的展覽會包括「亞洲展覽盛事」系列之獨家指定航空公司。此外，Alibaba.com將繼續為本集團「亞洲展覽盛事第一部份」的指定貿易媒體合作夥伴。

APPRECIATION

On behalf of the Board, I would like to express my appreciation to our shareholders, customers and suppliers for their continued support. My heartfelt thanks also go to all Kenfair International employees for their hard work and contribution in the past year. I strongly believe that, with an exceptional management team and a professional operation team, the Group will be able to generate impressive returns for our shareholders in the coming years.



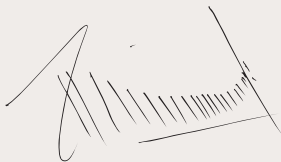
Ip Ki Cheung

Chairman

Hong Kong, 25 July 2007

致謝

本人謹代表董事會，藉此機會向本集團各股東、客戶及供應商對建發國際一直以來的支持致以衷心感謝。本人並感謝建發國際全體員工於本年度為本集團所付出的努力及貢獻。本人深信，憑藉高瞻遠矚的管理層及專業的營運團隊，本集團定能於未來為股東帶來更理想的回報。



主席

葉紀章

香港，二零零七年七月二十五日

REPORT OF MANAGING DIRECTOR

董事總經理報告

Dear Shareholders,

On behalf of the Board of Directors, I would like to report the results of the Group for the financial year 2007.

For the year ended 31 March 2007, the Group continued to launch trade fairs in Hong Kong and overseas and run exhibition-related business. It recorded a turnover of approximately HK\$236,319,000 (2006: approximately HK\$261,650,000), representing a decrease of approximately 10% compared with the previous year. Loss attributable to shareholders amounted to approximately HK\$34,411,000 (2006: approximately HK\$33,191,000). The net loss incurred were mainly due to the increased costs of the Group's three exhibitions organized in Europe and USA during the year. The significant drop in number of exhibitors of the 2nd Hong Kong Spring Fair, with a loss tripled as compared with the previous financial year, further eroded the Group's performance. Impairment was first made for the intangible assets as at 31 March 2007 based on the valuation performed by an independent valuer, BMI Appraisals Limited and such impairment also contributed to the operating loss during the year. Moreover, with the Government introducing a new development plan on the Tamar Site where Mega Show Part 1 was expanded to in the previous year, the Group was not able to use it for the Show during the year under review. Thus, the approximately HK\$19,556,000 turnover from sales of exhibition booths and entrance fee income at the Tamar Site venue previously which did not recur during the year under review.

However, with our new exhibition to be held in Macao receiving encouraging response, we are confident that our investment in the Macao trade fair will transform into strong profit for the Group in the coming fiscal year.

After the year end date, the Group disposed of its investment properties in Hong Kong to an independent third party at a total consideration of HK\$8,986,250. The net proceeds from the disposal will be used as general working capital of the Group and enhance liquidity of the Group.

致各股東

本人謹代表董事會報告本集團二零零七年財政年度之業績。

截至二零零七年三月三十一日止年度，本集團繼續專注於香港及海外舉辦貿易展覽會及經營展覽相關業務，錄得營業額約236,319,000港元（二零零六年：約261,650,000港元），較上年度減少約10%。股東應佔虧損約為34,411,000港元（二零零六年：約33,191,000港元）。本集團錄得虧損，主要由於年內在歐洲及美國籌辦的三項展覽會之成本上升。加上第二屆「香港春季交易會」的參展人數大幅下降，令該項展覽會錄得之虧損擴大至上年度之三倍，影響本集團的財務表現。而本集團根據委託之獨立估值師邦盟匯駿評估有限公司之估值於截至二零零七年三月三十一日止年度首次就本集團之無形資產作出減值，亦導致本集團於年內錄得經營虧損。此外，政府於本年度就添馬艦落實一項新發展計劃，以致本集團未能如去年度般將「亞洲展覽盛事第一部份」擴展至該處舉行，因而未能於年內錄得源自添馬艦場館展覽攤位及入場費約19,556,000港元的收入。

儘管如此，鑒於市場對本集團即將於澳門舉行的新展覽會反應熱烈，本集團深信該項新展覽會將可為其於下一個財政年度帶來可觀盈利。

於年結日後，本集團向一名獨立第三方出售於香港的投資物業，總代價為8,986,250港元。出售所得款項淨額將用作本集團一般營運資金，從而提升本集團之流動資金。

DIVIDEND

The Board of Directors did not recommend payment of a final dividend for the year ended 31 March 2007. Thus, the interim dividend of HK5.0 cents per share already paid earlier in the year represents the total dividend for the year. The register of members of Kenfair International will be closed from 21 August 2007 to 24 August 2007, both dates inclusive, to determine the eligibility to vote in the forthcoming annual general meeting of the Company.

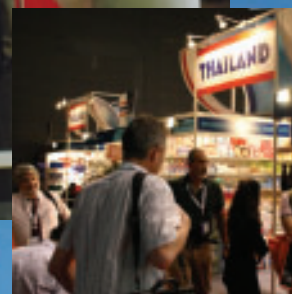
股息

董事會不建議派付截至二零零七年三月三十一日止年度之末期股息。董事會已於早前派發每股5.0港仙的中期股息，故該款額為本年度股息總額。建發國際將由二零零七年八月二十一日至二零零七年八月二十四日(包括首尾兩日)暫停辦理股東登記手續，以釐定可於本公司之應屆股東週年大會上投票之股東資格。



MANAGING DIRECTOR 董事總經理
Mr. Cheung Shui Kwai 張瑞貴先生

BUSINESS REVIEW



During the financial year 2007, Kenfair International staged a total of seven trade exhibitions in Hong Kong and overseas including the "Mega Show" series, the "Asia Expo" series, the Hong Kong Spring Fair and the Hong Kong International Furniture Fair. It also continued its comprehensive range of exhibition-related services, including trade publication, web portal and travel services, to support its flagship trade exhibitions.

業務回顧

建發國際於二零零七年財政年度於香港及海外合共舉辦七項貿易展覽會，包括「亞洲展覽盛事」系列、「亞洲博覽會」系列、「香港春季交易會」及「香港國際家具展」。本集團亦繼續以全面的展覽相關服務，包括商貿雜誌、商貿入門網站及旅運服務配合其貿易展覽會業務的發展。

TRADE EXHIBITIONS

Hong Kong Exhibitions ~ "Mega Show" series

Mega Show Part 1

Held from 20 to 23 October 2006, the UFI approved Mega Show Part 1 once again took up all space available at the Hong Kong Convention and Exhibition Centre ("HKCEC"). Occupying also the new exhibition hall – Expo Drive Hall and Expo Drive Entrance – of HKCEC, this year's show housed a total of 3,475 exhibitors in over 5,000 booths, upholding its reputation as the largest trade exhibition for toys, gifts, premium and household products in Asia and the largest-ever trade fair of its kind in Hong Kong.

Buyer attendance remained tremendous this year, attributable not only to the excellent quality of the show, but also to the strategic partnership with Alibaba.com, the leading e-commerce platform in China. The pre-registration system on www.alibaba.com helped to secure participation for Mega Show Part 1.

Furthermore, with Cathay Pacific Airways Limited ("Cathay Pacific") as its official carrier, the "Mega Show" series enjoyed enhanced exposure – exhibitors and buyers who were promised quality flight services and exclusive travel packages.

In 2007, the Mega Show Part 1 will again be staged at HKCEC from 21 to 24 October, and it is expected to be another enormous success.



貿易展覽會

香港展覽會 — 「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」於二零零六年十月二十日至二十三日假香港會議展覽中心(「會展」)舉行，再度盡用場館全部可供擺設展覽的空間。本年度的展覽會擴展至會展新增的博覽道及博覽道入口展覽館，合共容納3,475名參展商在場內設置超過5,000個攤位，繼續成為亞洲最大型玩具、禮品、贈品及家居用品貿易展覽會及本港最大型同類型展覽會。

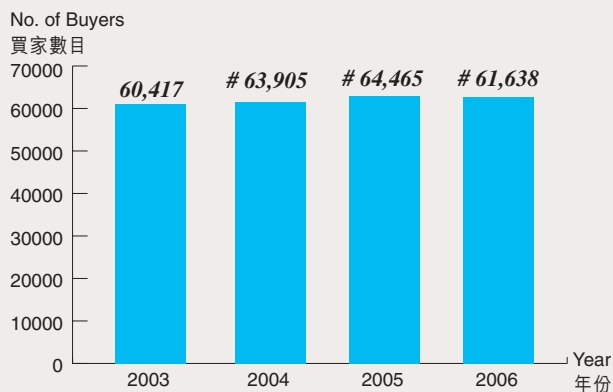
憑藉展覽會超卓的質素、及本集團合作夥伴 — 中國首屈一指的電子商貿平台阿里巴巴(Alibaba.com)的強大支援，本年度展覽會的買家入場人數再創高峰。展覽會於Alibaba.com的預先登記系統有助提升「亞洲展覽盛事第一部份」的參與率。

此外，作為是項展覽會指定航空公司，國泰航空公司(「國泰」)亦有助提升「亞洲展覽盛事」於全球的知名度，更為本集團參展商及買家提供優質的航空服務及尊享的優惠套票。

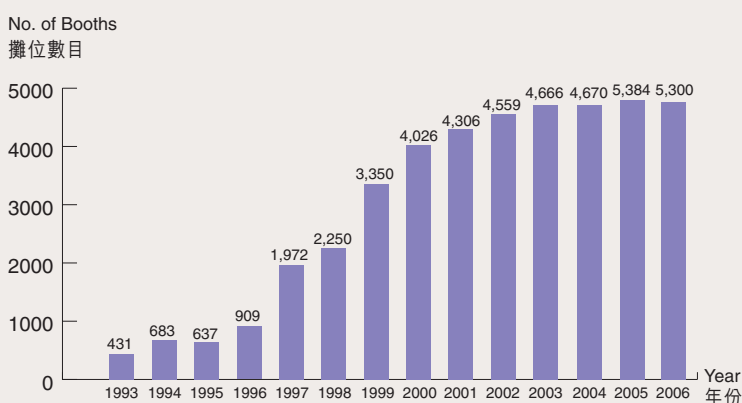
本集團將於二零零七年十月二十一日至二十四日假會展舉行下屆「亞洲展覽盛事第一部份」，預期定可再創佳績。



Growth of Buyer Attendance 入場買家增長



Growth of Booths 攤位數目增長



Mega Show Part 2

To offer an extended sourcing platform to international buyers and a perfect conclusion for their Asian sourcing trip, Mega Show Part 2, the second part of the "Mega Show" series, was held from 28 to 30 October 2006, at the HKCEC a few days after the Mega Show Part 1.



A new permanent section – Table Object Asia – was added to this year's Mega Show Part 2. It featured a wide range of tableware with different styles and designs from Asian countries to give international buyers more choices for meeting their sourcing needs.

Continual improvement in content and services has enabled the UFI-approved Mega Show Part 2 to maintain its position as one of the most effective business matching platform for global toys, gifts, premium and household products industries. It attracted 879 exhibitors from 18 countries and regions to put up 1,192 booths.

The next Mega Show Part 2 is scheduled for 28 to 30 October 2007.

The 2006 "Mega Show" series had received a total of 75,403 visitors from around the world.

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，「亞洲展覽盛事第二部份」亦隨即於二零零六年十月二十八日至三十日假會展舉行，為國際買家延續有效的採購平台，為其亞洲採購之旅畫上圓滿句號。

本集團於本年度「亞洲展覽盛事第二部份」增設全新專題展覽區——「亞洲餐桌用品展」，展示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。

獲UFI認可的「亞洲展覽盛事第二部份」展覽會內容及服務不斷革新，使其行業地位得以鞏固，繼續成為全球最有效的玩具、禮品、贈品及家居用品商貿配對平台之一。本屆展覽會共有879名來自18個國家及地區的參展商設置合共1,192個攤位。

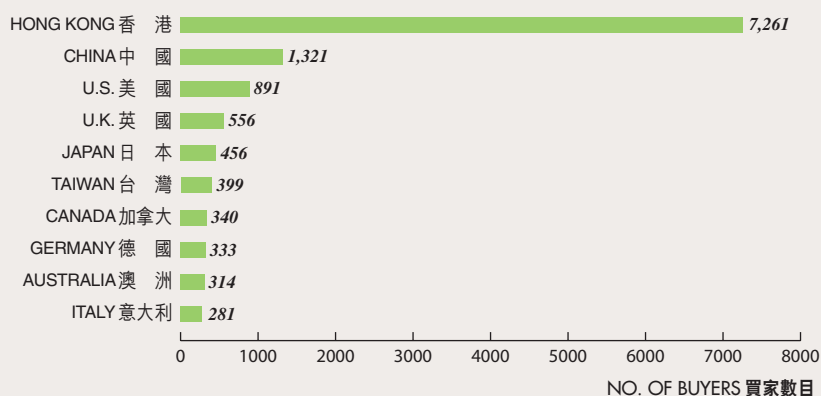
下屆「亞洲展覽盛事第二部份」將於二零零七年十月二十八日至三十日舉行。

二零零六年的「亞洲展覽盛事」系列合共吸引75,403名來自世界各地的訪客蒞臨參觀。

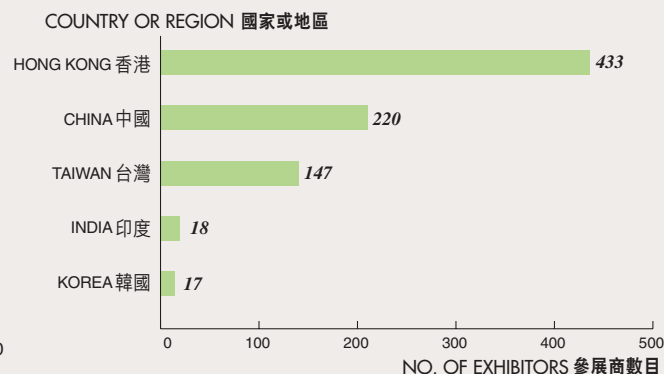


Buyer Attendance Breakdown (Top 10 visiting countries or regions)
入場買家分佈 (十個主要參與國家或地區)

COUNTRY OR REGION 國家或地區



Exhibitor Breakdown (Top 5 exhibiting countries or regions)
參展商分佈 (五個主要參展國家或地區)



2nd Hong Kong Spring Fair

Riding on the success of last year's inaugural show, the 2nd Hong Kong Spring Fair was held at the AsiaWorld-Expo from 9 to 12 January in 2007. A total of 442 manufacturers from over 10 countries and regions, including Hong Kong, China, Germany, India, Indonesia, Korea, Pakistan, the Philippines, Taiwan and the United Kingdom, set up 560 booths to showcase their latest range of merchandises.



Positioned as an exclusive sourcing platform for light industry products, it continued to attract buyers from all over the world. A total of 4,838 buyers attended the four-day event.

To better accommodate ever-changing market demands and improve the profitability of the show, the Group is exploring new theme for the Hong Kong Spring Fair, in the hope that it will bring even great profit to the Group.

第二屆「香港春季交易會」

承接去年首次舉辦「香港春季交易會」的成功經驗，本集團於二零零七年一月九日至十二日假亞洲國際博覽館舉辦第二屆「香港春季交易會」。是次展覽會共有442名來自香港、中國、德國、印度、印尼、韓國、巴基斯坦、菲律賓、台灣及英國等超過10個國家及地區的參展商擺設560個攤位，展示其一系列最新商品。

作為專為輕工業產品而設的採購平台，「香港春季交易會」繼續成功吸引達4,838名來自世界各地的買家蒞臨參觀是項為期四天的展覽。

為更有效滿足瞬息萬變的市場需求及提高是項展覽會的盈利能力，本集團正積極為下屆「香港春季交易會」構思新的主題，以期為本集團帶來更可觀收益。



Hong Kong International Furniture Fair

Cooperating with the Hong Kong Trade Development Council ("HKTC"), the Group launched the first Hong Kong International Furniture Fair at AsiaWorld-Expo between 27 and 30 October 2006.

This first-ever furniture trade fair in Hong Kong was attended by a total of 166 manufacturers from 14 countries and regions. Seminars on latest products and industry trends held during the four-day show received very positive feedbacks from both suppliers and buyers. The show reported a satisfying buyer attendance of over 7,300 from 107 countries.

Aiming to repeat the tremendous success of this year's show, the 2nd edition of Hong Kong International Furniture Fair has been scheduled for between 27 and 30 October 2007 at again the AsiaWorld-Expo.

香港國際家具展

本集團與香港貿易發展局（「貿發局」）合作，於二零零六年十月二十七日至三十日假香港亞洲博覽館舉辦首屆「香港國際家具展」。

是次家具展共有166名來自14個國家及地區的參展商參與。於為期四天的展覽會當中舉行有關最新產品及行業趨勢的研討會更獲得廠商及買家的熱烈回響。是次展覽會共吸引來自107個國家超過7,300名買家入場參觀。

根據本屆展覽會的成功經驗，第二屆「香港國際家具展」已定於二零零七年十月二十七日至三十日假亞洲博覽館舉行，以期為本集團帶來更可觀收益。



Exhibitions Outside Hong Kong ~ "Asia Expo" series

Asia Expo – Poland

The 2nd Asia Expo-Poland was held from 6 to 8 June 2006 in Warsaw, Poland. This year's show housed a total of 483 booths presented by 436 Asian suppliers and attracted a total of 4,037 buyers.

Serving as an effective and direct sourcing platform for Asian toys, gifts, premium and household products in Eastern Europe, the show was well received by buyers and suppliers. However, to make sure the Group's new plan to launch its first international trade exhibition in Macao in 2007 has ample supporting resources and manpower, the Group decided to postpone the 3rd Asia Expo-Poland.



香港以外地區展覽會 – 「亞洲博覽會」系列

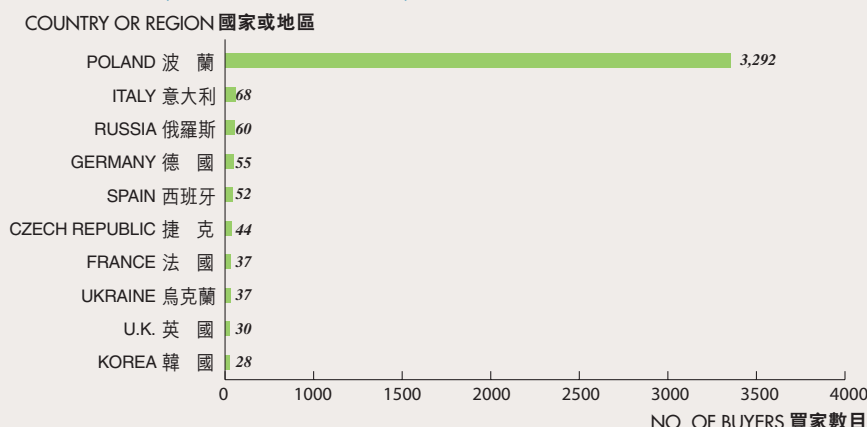
波蘭 – 亞洲博覽會

第二屆「波蘭 – 亞洲博覽會」於二零零六年六月六日至八日在波蘭華沙舉行，共有436名亞洲廠商設置483個攤位，吸引4,037名買家進場參觀。

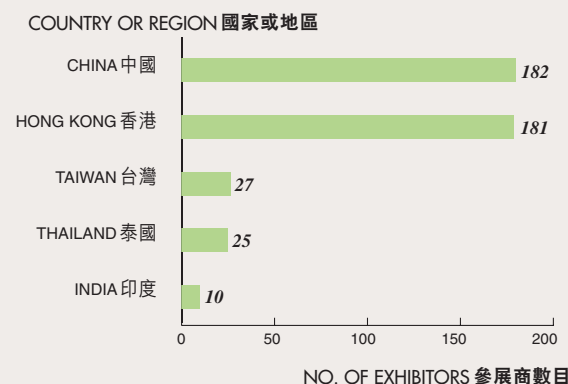
作為在東歐搜羅亞洲玩具、禮品、贈品及家居用品一個有效直接的採購平台，「波蘭 – 亞洲博覽會」備受買家及廠商歡迎。然而，為確保本集團於二零零七年在澳門首度推出的國際貿易展覽會能獲得充裕資源及人力支援，本集團決定暫時停辦「波蘭 – 亞洲博覽會」。



Buyer Attendance Breakdown (Top 10 visiting countries or regions)
入場買家分佈 (十個主要參與國家或地區)



Exhibitor Breakdown (Top 5 exhibiting countries or regions)
參展商分佈 (五個主要參展國家或地區)



Kenfair Asian expo

Held from 24 to 26 August 2006 at Bayside D, Mandalay Bay Convention Center in Las Vegas, 382 booths were set up at the Kenfair Asian expo to showcase a large variety of Asian toys, gifts, premium and household products, and a total of 3,524 international buyers were drawn to the show.



Since its debut in August 2003, Kenfair Asian expo has gained wide recognition as one of the most significant trading platforms for Asian manufacturers on the American continent. However, with the usual timeslot for the show reserved by another event next year, the Group decided to postpone the next show. Kenfair International is now exploring another ideal timeslot for the show.

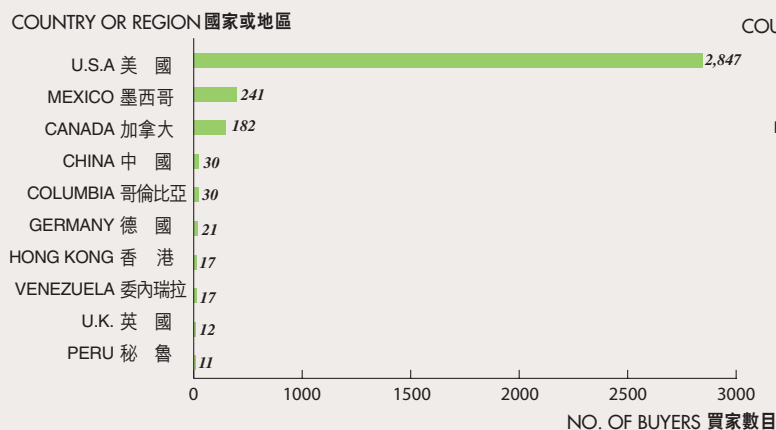
拉斯維加斯—亞洲博覽會

本年度「拉斯維加斯—亞洲博覽會」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，共設有382個攤位，展示各式各樣亞洲玩具、禮品、贈品及家居用品，吸引3,524名國際買家入場參觀。

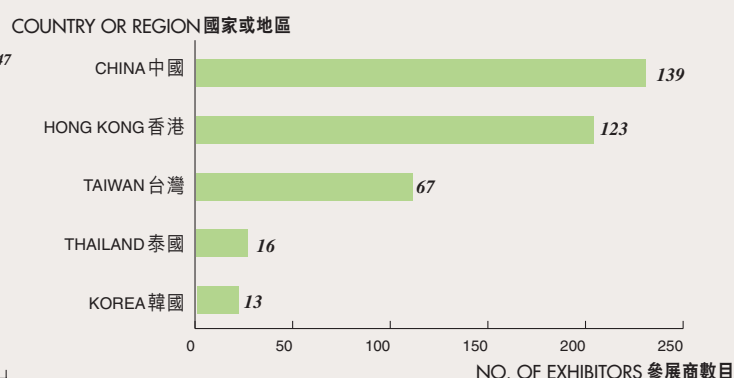
自二零零三年八月推出以來，「拉斯維加斯—亞洲博覽會」已被廣泛認同為亞洲廠商於美國最重要的貿易平台之一。然而，由於二零零七年本集團慣常舉辦此項博覽會時段將被用於舉辦另一項展覽，故本集團已決定暫時停辦「拉斯維加斯-亞洲博覽會」，並正積極尋求另一理想時段以舉辦有關展覽會。



Buyer Attendance Breakdown (Top 10 visiting countries or regions)
入場買家分佈 (十個主要參與國家或地區)



Exhibitor Breakdown (Top 5 exhibiting countries or regions)
參展商分佈 (五個主要參展國家或地區)



Asia Expo

Positioned as one of the largest trade fairs in London for Asian-made toys, gifts, premium and household products, the UFI-approved Asia Expo has successfully helped thousands of Asian suppliers link up with a numerous European buyers in the past seven years.



This year, the 7th Asia Expo was held from 30 January to 2 February at the Grand Hall, Olympia Exhibition Centre, London, the United Kingdom (the "U.K."). It accommodated 604 exhibitors from Hong Kong, China, Taiwan, Korea, Vietnam, India and many other Asian countries in a total of 631 booths displaying high quality Asian products.

A total of 10,161 international buyers from 76 countries including major European countries such as the U.K., France, Italy and Spain were recorded during the four-day show, which was an 18% increase when compared with 2006.

The Group has already confirmed the timeslot for the 8th Asia Expo which will be between 29 January and 1 February 2008.

亞洲博覽會

獲UFI認可的「亞洲博覽會」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，於過去七年已成功為數以千計亞洲廠商與歐洲買家建立貿易聯繫。

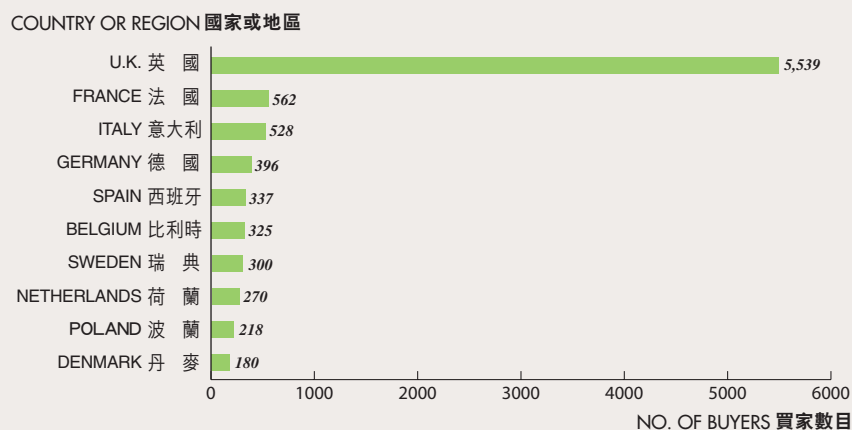
第七屆「亞洲博覽會」已於二零零七年一月三十日至二月二日在英國倫敦Olympia Exhibition Centre的Grand Hall順利舉行。是次展覽會由604名來自香港、中國、台灣、韓國、越南、印度及多個其他亞洲國家的參展商設置共631個攤位，展示優質亞洲產品。

是次為期四天的展覽會共吸引來自76個國家，包括來自英國、法國、意大利及西班牙等主要歐洲國家的10,161名國際買家入場參觀，人數較二零零六年超出18%。

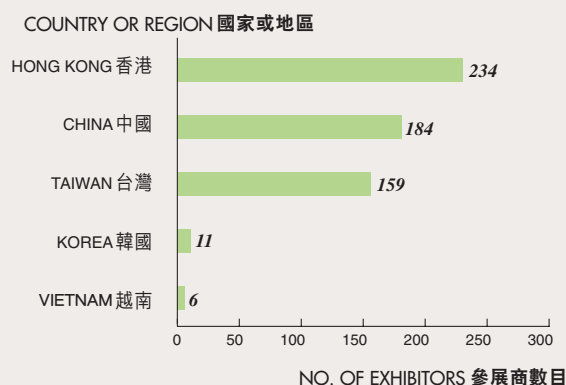
第八屆「亞洲博覽會」已定於二零零八年一月二十九日至二月一日舉行。



Buyer Attendance Breakdown (Top 10 visiting countries or regions)
入場買家分佈 (十個主要參與國家或地區)



Exhibitor Breakdown (Top 5 exhibiting countries or regions)
參展商分佈 (五個主要參展國家或地區)



Exhibition-related Services

MegAsia

The Group's MegAsia trade magazine, which first appeared in October 2002, has become one of the premier sourcing guides for global buyers to find the right products and suppliers in the toys, gifts, premiums and houseware industries in Hong Kong and other Asian countries. Apart from product advertisements, each issue of MegAsia also comes with updated industry news and product trends, trade show information and in-depth company profiles of selected suppliers.

Other than in hard copies, MegAsia has a CD-ROM version and an online version e-MegAsia on the Group's website: www.kenfair.com. These electronic versions, which give non-stop exposure to products among buyers, have helped to draw an increasing number of suppliers to advertise in MegAsia.

During the year under review, MegAsia released a summer issue of Vol. Jun/2006 to coincide with the Group's 2nd Asia Expo-Poland and the 4th Kenfair Asian expo in Las Vegas held in late August. Then, the mega issue of Vol. Oct/2006 came out as the official show directory of the Group's flagship Hong Kong October Shows - "Mega Show" series. This October issue contained 354 advertising pages and over 10,000 free copies were picked up by buyers attending the "Mega Show" series. The Vol. Feb/ 2007 was published to cater for the Group's 7th Asia Expo in London, the U.K., which was held from 30 January to 1 February, 2007. During the year, the three editions of MegAsia, garnering a total of over 660 advertising pages, brought in impressive supplementary income for the Group.



展覽相關業務

MegAsia

本集團於二零零二年十月推出的商貿雜誌MegAsia現已成為全球買家搜羅香港及其他亞洲國家玩具、禮品、贈品及家居用品產品及廠商的最佳採購指南。每期MegAsia在刊登產品廣告外，亦刊載最新的行業消息、產品趨勢、貿易展覽會資訊及精選廠商的詳盡公司專訪。

除印刷版本外，MegAsia亦已推出光碟版及網上版e-MegAsia，網上版可於本集團網站www.kenfair.com下載。此等電子版本讓廣告客戶可全天候向買家展示其產品，故成功吸引大量廠商於MegAsia刊登廣告。

於回顧年內，MegAsia配合本集團第二屆「波蘭—亞洲博覽會」及於八月底舉行的第四屆「拉斯維加斯—亞洲博覽會」出版了二零零六年六月號。而二零零六年十月號則為本集團於香港的旗艦展覽會—「亞洲展覽盛事」系列的展覽會官方指南。十月號共刊載354頁廣告，而過萬本十月號已於「亞洲展覽盛事」系列舉行期間免費派發予到場買家。此外，MegAsia亦出版了二零零七年二月號，以配合本集團在二零零七年一月三十日至二月一日於英國倫敦舉行的第七屆「亞洲博覽會」。年內，三期MegAsia共刊載660頁廣告，為本集團帶來可觀的額外收益。



www.kenfair.com

www.kenfair.com, the Group's official website, has been flourishing as a fully integrated product sourcing platform providing value-added features and innovative communication channels to attract suppliers in the region and global buyers to participate in our exhibitions. To date, the revamped www.kenfair.com continues to generate robust gains in membership, seeing an astounding growth of 78% over the past year to 81,712 members. The number of "Big Buyer" members (with annual sales over US\$50 million) also increased by 38% to 884 since last fiscal year. These remarkable membership gain figures clearly reflect our successful recruitment efforts and the escalating popularity of www.kenfair.com among global buyers and suppliers.

During this reporting period, we had created the "Business Matching Service" to enable global buyers to easily match their product interests with appropriate exhibitors of our exhibitions. Besides, we worked to adapt the well-received "Exhibitor Locator System" to cover all the Group's trade fairs. We had also redesigned most web pages of the Group's trade fairs to more effectively broadcast our exhibition news and services to our customers. In the coming year, we will endeavour to produce several innovative features to further enhance the communication between global buyers and suppliers.

We are confident that www.kenfair.com will sustain its strong membership growth and continue to contribute significantly to the Group's core exhibition business.

www.kenfair.com

本集團的商貿網站www.kenfair.com現已發展成一個全方位的產品採購平台，其卓越的功能和增值內容大大促進了更多區內廠商和全球買家參與集團主辦的展覽會。自四年前全面革新後，www.kenfair.com會員人數已錄得大幅增長，今年度的增幅更高達78%至81,712名；而每年銷售額超過50,000,000美元的「大買家」會員人數亦上升至884名，較上年度增長了38%，如此驕人的增長足證我們的推廣策略取得了成果，而全球買家及供應商對集團網站的認受性更日益提昇。

於此回顧期內，www.kenfair.com新增設的「商易配對服務」，有效地協助國際買家更容易找到與其採購目標產品相符的供應商。此外，我們把深受買家和參展商歡迎的「參展商 搜尋定位系統」全面應用至本集團旗下的所有展覽會；另我們為本集團各項展覽會的網頁更新版面設計，使其煥然一新，更有效地向我們的客戶(參展商和買家)傳遞本集團各展會的最新資訊和服務。在未來一年，我們將致力為網站發展一些嶄新功能和服务，進一步促進全球買家和供應商之間的溝通和連繫。

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

Kenfair Travel Limited ("Kenfair Travel"), a wholly-owned subsidiary of the Group, obtained its travel agency license in 2003, and has since become an extended service arm of the Group. Kenfair Travel focuses on providing a comprehensive range of travel-related services, such as special travel packages, hotel accommodation, transportation, air-ticketing and tour arrangement, to exhibitors and buyers of the Group's flagship trade fairs.

During the year under review, Kenfair Travel provided special travel packages to 998 exhibitors of the "Asia Expo" series and handled 1,013 hotel bookings for exhibitors and buyers of the "Mega Show" series and Hong Kong Spring Fair.



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機構，於二零零三年取得旅遊代理牌照，為參與本集團貿易展覽會的參展商及買家提供全面的旅遊相關服務，包括特設之旅遊套票、酒店住宿、交通、票務及行程安排等。

於回顧年內，建發旅運為998名「亞洲博覽會」系列的參展商提供旅遊套票服務，並為「亞洲展覽盛事」系列的參展商及買家處理共1,013宗酒店房間預訂事務。



OUTLOOK

Hong Kong has long been recognized as Asia's trade fair capital, however, in recent years, the exhibition industries in nearby countries and regions have developed very quickly, and are posing direct challenges the exhibition service sector in Hong Kong.

To combat the fierce competition, the Group, as a leading trade fair organizer in Hong Kong, will continue to enhance the quality of its existing world-class trade fairs in Hong Kong and overseas. It will also explore opportunities for its proven shows and new shows in different parts of the world, especially the fast-growing Great China Region.

展望

香港一直被譽為亞洲貿易展覽之都，然而，近年鄰近國家及地區的展覽行業迅速發展，對本地展覽服務業構成重大挑戰。

面對激烈的競爭，本集團作為於香港貿易展覽行業具領導地位的主辦商，將繼續致力提升現有於香港及海外的世界級貿易展覽會的質素，並於世界各地(尤其迅速發展的大中華地區)推展其已成功的展覽會及發掘舉辦新展覽會的商機。

China

中國

Subsidiaries and branches in China

To facilitate development of the Group's core business in China and ensure the most efficient resources allocation, the Group implemented the following strategic actions during the year:

To expand our exhibition business in Beijing, we signed an agreement with CITIC Trust & Investment Co., Ltd ("CITIC Trust") to set up Beijing Kenfair Capital Exhibition Company Limited ("Kenfair (China)") in 2003. On 16 March 2007, the Company served a written notice to CITIC Trust to exercise the option in whole granted by CITIC Trust at a total consideration of RMB10,000,000 (approximately HK\$9,434,000) which had fully been paid in 2003. Upon exercise of the option by the Group, upto but not exceeding 90% of the equity interest will be transferred at no additional consideration to the Group (the "Transfer"). With a view of complete control over the business of Kenfair (China) and, simplifying the management and identity of Kenfair (China), the Group has entered into a sales & purchase agreement with CITIC Trust for acquisition of the remaining 10% of the equity interest at consideration of RMB212,447 (approximately HK\$214,593) (the "Acquisition"), which has been determined with reference to the net asset value of Kenfair (China) as at 31 July 2006 and the valuation report dated 25 September 2006 issued by an independent valuer. The Group believes the complete control over the business of Kenfair (China) will enhance the development of the Group's branding in the PRC, especially the northern part of the PRC. Completion of the Transfer and Acquisition will take place upon obtaining approval from the relevant regulatory authorities in the PRC and internal approval of the parties involved, which is expected on 13 September 2007.

To heighten financial efficiency, Kenfair International (Sichuan) Exhibition Limited, a previously wholly owned subsidiary of the Group incorporated in Chengdu, Sichuan, underwent deregistration after completing the mission of collecting data in Western China and exploring possibilities of organizing trade fair there.

In the coming year, the Group's subsidiaries in Beijing and Shanghai, together with its branch offices in Shenzhen and Dongguan, will continue to play an important role in facilitating its business development in China. These subsidiaries and branches will provide professional after-sales services to existing customers in China, as well as collecting the most up to date market information to boost the Group's databank of important industry contacts in China.

於中國設立的附屬公司及分公司

為促進本集團的核心業務於中國的發展，並確保作出最有效的資源分配，本集團於年內推行以下策略：

為擴展於北京的展覽會業務，本集團於二零零三年與中信信託投資有限責任公司（「中信信託」）簽訂一項協議，成立北京建發京城會展有限公司（「建發（中國）」），並支付總代價人民幣10,000,000元（約9,434,000港元），收購中信信託授出建發（中國）的購股權。本公司於二零零七年三月十六日向中信信託發出通知書以悉數行使購股權。於購股權行使後，本集團將無須支付額外代價而獲得建發（中國）最多但不超過90%之股本權益（「轉讓」）。為擁有建發（中國）之全部控股權以及精簡建發（中國）的管理層及結構，本集團與中信信託訂立買賣協議，以總代價人民幣212,447元（約214,593港元）向中信信託收購建發（中國）之餘下10%股本權益（「收購」），收購代價乃參考建發（中國）於二零零六年七月三十一日的資產淨值以及獨立估值師於二零零六年九月二十五日發表的估值報告而釐定。本集團相信擁有建發（中國）之全部控股權將有助本集團於中國、尤其於華北地區推廣及發展其品牌。有關轉讓及收購將於取得中國有關監管當局之批准以及各方之內部批准時完成。預期有關轉讓及收購將於二零零七年九月十三日同時完成。

為提升財務效益，本集團於四川成都註冊成立的前全資附屬公司建發（四川）展覽有限公司於完成中國西部的資料搜集工作及於當地發掘舉辦貿易展覽會商機等工作後，已進行撤銷註冊手續。

來年，本集團於北京及上海的附屬公司，以及於深圳及東莞的分公司，將繼續肩負起積極推動本集團中國業務發展的使命。此等附屬公司及分公司將繼續為現有本集團的中國客戶提供專業的售後服務，並透過蒐集最新的市場資訊，協助本集團加強有關中國業內主要聯繫的聯絡資料庫。

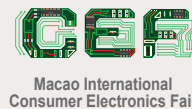


New trade fairs in the Pan-Pearl River Delta Region

Over the past few years, the exhibition industry in the Pan-Pearl River Delta Region has grown rapidly. Of the different areas in the Region, Kenfair International believes the exhibition industry in Macao and Guangzhou are most promising, thus it plans to expand its business to the two areas.

泛珠三角地區的新貿易展覽會

過去數年，泛珠三角地區的展覽行業迅速增長。建發國際預期區內市場尤以澳門及廣州的展覽行業前景最為優秀，故此計劃將本集團業務拓展至該等地區。



Mega Macao

In fact, the Group has already made its first step. Mega Macao, the Group's first trade exhibition in Macao will be staged between 18 and 20 October 2007 featuring four distinct themes including Asian Promotional & Advertising Premiums Fair, International Home Textiles, Garments, Fabrics & Accessories Fair, International Toys, Gifts & Homeware Fair and Macao International Consumer Electronics Fair. This brand new show is going to be the first international trade fair to be held at the Venetian Macao Convention and Exhibition Center, which is the largest convention and exhibition venue in the city.

Mega Macao is endorsed by the Macao Convention and Exhibition Association, which had agreed to be a supporting organization of the event. Mega Macao is deemed as one of the most anticipating trade shows in the region in 2007.

During the year, preparation work for the event had progressed smoothly and responses from exhibitors and buyers have been positive and encouraging. The Group is confident that Mega Macao will become a new focus of the international exhibition industry.

Mega Macao

事實上，本集團就拓展澳門展覽會業務已作出重大舉措。建發國際將於二零零七年十月十八日至二十日首度在澳門舉辦貿易展覽會——「澳門國際消費品展」。是次展覽將分為四大主題，包括亞洲廣告宣傳禮品展，澳門國際家紡、服裝、面料、輔料及服務配件展，澳門國際玩具、禮品及家居用品展，和澳門國際電子產品展。這個全新的展覽會將會是首個假澳門最大的會議展覽場地——威尼斯人澳門會議展覽中心所舉辦的國際貿易展覽會。

「澳門國際消費品展」已獲澳門會議展覽業協會認可，並同意出任有關展覽會的支援機構。「澳門國際消費品展」被視為二零零七年區內最令人期待的貿易展覽會之一。

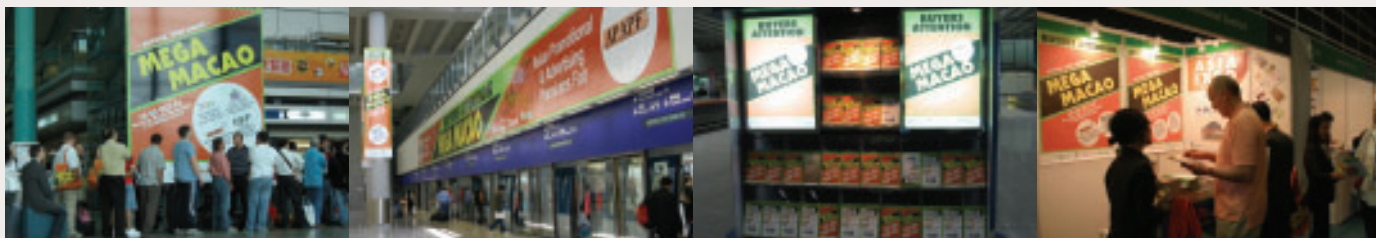
年內，該項展覽會的籌辦工作順利進行，並獲得參展商及買家的熱烈反應。本集團有信心，「澳門國際消費品展」將成為國際展覽行業的新焦點。

Potential new trade fair in Guangzhou

Guangzhou will be the next destination for the Group's trade shows. The economies of Guangzhou and areas in its vicinity have been booming for some time, yet the region's exhibition service market in far from being fully exploited. To tap the tremendous potentials in Guangzhou and its neighbouring areas, the Group plans to launch a new trade fair in the city in the near future featuring light industry products in exhibit categories including toys, gifts, houseware, textile, garments, fabrics, accessories and premiums, etc. The Group's four subsidiaries and branches in China are now working intensively to collect data and information for the Group to evaluate the feasibility of the new trade fair.

在廣州舉辦具潛力的新貿易展覽會

廣州是本集團籌辦貿易展覽會的下一站。當地和鄰近地區的經濟正蓬勃發展，而區內的展覽服務市場卻仍未被全面發掘。為了把握廣州及鄰近地區展覽行業的龐大潛力，本集團計劃於不久將來在當地舉辦以輕工業產品為題的全新貿易展覽會，展品將涵蓋玩具、禮品、家居用品、紡織品、成衣、布料、配件及贈品等產品。本集團位於中國的四間附屬公司和分公司現正加緊蒐集有關數據及資料，讓本集團評估舉辦新貿易展覽會的可行性。



Overseas

海外

Asia Expo — Middle East (Kingdom of Bahrain)

As a part of its effort to link Asian manufacturers with emerging markets at different parts of the world, the Group had worked hard to prepare for the launch of a brand new trade fair – Asia Expo-Middle East — in Bahrain. However, cultural differences had prolonged related discussion in organizing the show. Thus the Group decided to postpone the show.

With Macao emerging fast as a promising exhibition service market, the Group has decided to focus resources on preparing for its first trade show in Macao. The Group's management thus decided not to continue to pursue staging of the Asia Expo - Middle East, but direct its attention on to the Macao show.

中東（巴林王國）— 亞洲博覽會

為了協助亞洲廠商開拓世界各地的新興市場，本集團積極研究推出全新的貿易展覽會——「中東(巴林王國)—亞洲博覽會」。然而，由於文化差異延長有關籌辦展覽會的討論進度，故本集團決定延遲舉辦有關展覽會。

隨著澳門展覽服務業快速冒起，本集團已決定集中資源籌辦其於澳門首個貿易展覽會。因此，本集團管理層決定暫停籌辦「中東(巴林王國)—亞洲博覽會」，務求能專注籌辦澳門的新展覽會。

Asian Jewellery Expo – London

In recent years, there is an increasing global demand for jewellery products from Asian countries and regions including China, India, Thailand and Hong Kong, etc. To facilitate Asian jewellery suppliers to tap the booming global jewellery market, Kenfair International will launch the Asian Jewellery expo, its first jewellery expo in London, the U.K.

This brand new 4-day expo has been scheduled to open at Earls Court on 6 January 2008 to provide an exclusive trading platform for Asian jewellery manufacturers to meet the tremendous number of buyers in the lucrative European markets.

亞洲珠寶展 — 倫敦

近年，全球對中國、印度、泰國及香港等亞洲國家及地區的珠寶產品需求殷切，為了協助亞洲珠寶供應商把握全球蓬勃發展的珠寶市場所帶來的商機，建發國際將在英國倫敦推出「亞洲珠寶展」。

是項為期四天的全新展覽會將於二零零八年一月六日假倫敦Earls Court舉行，為亞洲珠寶供應商提供一個專屬的貿易平台，與眾多來自歐洲市場的買家接洽。

Strategic Partnership Development Worldwide

During the year, Kenfair International maintained its partnership with Cathay Pacific, the world-famous airline. As the sole official carrier for the Group's flagship trade fairs in Hong Kong, including Mega Show Part 1 and 2 and the Hong Kong Spring Fair, Cathay Pacific offers our exhibitors and buyers with special flight packages as complementary offers from the Group.

Also, as the official trade media partner for Mega Show Part 1, Alibaba.com has helped and will continue to help to enhance the global exposure of the event.

To enhance business growth and facilitate exploration of international markets, Kenfair International will continue to develop strategic partnership with leading corporations, trade associations and government bodies in different countries and regions, particularly in its targeted markets.

全球策略夥伴

年內，建發國際保持與全球知名航空公司—國泰航空的合作夥伴關係。作為本集團於香港的旗艦貿易展覽會(包括亞洲展覽盛事第一部份及第二部份和香港春季交易會)的指定航空公司，國泰航空為該等展覽會的參展商及買家提供優惠套票，作為本集團為他們提供的附設優惠。

此外，作為「亞洲展覽盛事第一部份」的指定貿易媒體夥伴，Alibaba.com將會繼續協助提升有關展覽會於全球市場的知名度。

為持續推動業務增長和開拓國際市場，建發國際將會繼續尋求與不同國家和地區（尤其目標市場內）的主要企業、貿易聯會和政府機關建立策略夥伴關係。

CORPORATE GOVERNANCE

Kenfair International firmly believes that a corporation must have good corporate governance for it to maintain long-term growth and achieve proud business results. Therefore, Kenfair International adheres fully to the Code on Corporate Governance Practices ("CG Code") as 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 "Corporate Governance Report" in the later part of this report. In addition to abiding by rules and regulations, the guiding values upheld by a company and its leaders are also essential elements for ensuring a company's credibility and overall performance. Hence, Kenfair International continues to value the governance, counsel and guidance of its directors. All its executive directors are responsible for day-to-day management of the Group's operations, they meet regularly with senior management to communicate and formulate the Group's overall strategies and corporate policies. As for the Board of Directors, it remains vigilant to all conditions that may affect the Group's financial situation, business performance and shareholders' interests. The Group is committed to running a highly transparent business.

To ensure due diligence in the execution of financial and accounting policies, the 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 to effectively guide our corporate finance implementations.

企業管治

建發國際深信良好的企業管治是維持長遠增長及業務成功的重要因素。因此，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「企業管治報告」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，董事會亦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。本集團同時並致力提升公司整體的高透明度。

為堅守一貫嚴謹的財務及會計政策，本集團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 31 March 2007, the Group employed a total of 160 staff in Hong Kong and China. All employees are remunerated in accordance with their performance, experience and prevailing industry practices.

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

人力資源

於二零零七年三月三十一日，本集團於香港及中國共僱有160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。

ASSET PLEDGED

As at 31 March 2007, the Group did not have any charge over its asset. However the Group's bank deposits amounted to USD407,000 which is approximately equivalent to HK\$3,175,000 (2006: HK\$2,866,000) have been pledged to a bank for general banking facility of EUR245,000 (2006: EUR245,000) relating to the lease of an overseas exhibition venue.

已抵押資產

於二零零七年三月三十一日，本集團並無抵押其任何資產。然而，本集團之銀行存款為數407,000美元（約相等於3,175,000港元）（二零零六年：2,866,000港元）已就有關租賃海外展覽場地之一般銀行信貸245,000歐元（二零零六年：245,000歐元）而抵押予銀行。

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its operations with internally generated cash flows. As at 31 March 2007, the bank balances and pledged bank deposits of the Group was approximately HK\$40 million (31 March 2006: approximately HK\$63 million).

As at 31 March 2007, the Group's total investment in shares amounted to approximately HK\$35 million (31 March 2006: approximately HK\$32 million) and were classified into long-term holding for capital growth and short-term holding for profit.

The Group had no bank borrowings as at 31 March 2007 (2006: Nil). The Group's financial position as at 31 March 2007 was satisfactory with a current ratio of approximately 0.75 (2006: approximately 1.18) and a gearing ratio (total debts to total assets) of zero % (2006: zero%). Both the Group and the Company had no significant contingent liabilities as at the balance sheet date (2006: Nil). The Group's cash balances are mainly in Hong Kong and United States dollars. As such, the Group does not have any significant exposure to foreign exchange fluctuations.

After the year end date, the Group disposed of its investment properties in Hong Kong to an independent third party at a total consideration of HK\$8,986,250. The net proceeds from the disposal will be used as general working capital of the Group and enhance liquidity of the Group.

On 27 June 2007, for the purpose of raising fund for future development of the core exhibition business, the Company announced that it proposed to raise approximately HK\$11.77 million, before expenses, by issuing 117,726,000 new shares to qualifying shareholders on the basis of one offer share for every two shares held on the Record Date at a price of HK\$0.10 per offer share (the "Open Offer") payable in full on acceptance. The Prospectus in relation to the Open Offer has been dispatched on 19 July 2007 and the completion of the Open Offer is expected on the early of August 2007. The net proceeds from the Open Offer will be approximately HK\$10,180,000, which should strengthen the financial position of the Group.

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。於二零零七年三月三十一日，本集團之銀行結餘及已抵押銀行存款總值約40,000,000港元（二零零六年三月三十一日：約63,000,000港元）。

於二零零七年三月三十一日，本集團於股份的投資總值約35,000,000港元（二零零六年三月三十一日：約32,000,000港元），分為著眼於長遠資本增長之長期持有及著眼於獲利之短期持有。

於二零零七年三月三十一日，本集團並無任何銀行借貸（二零零六年：無）。本集團於二零零七年三月三十一日的財務狀況理想，流動比率約為0.75（二零零六年：約1.18），資產負債比率（負債總額對比資產總值）為零（二零零六年：零）。於結算日，本集團及本公司均無重大的或然負債（二零零六年：無）。本集團之現金結餘主要以港元及美元計值。因此，本集團並無任何重大外匯波動風險。

於年結日後，本集團向一名獨立第三方出售於香港的投資物業，總代價為8,986,250港元，出售所得款項淨額將用作本集團一般營運資金，從而提升本集團之流動資金。

於二零零七年六月二十七日，為了日後發展核心展覽會業務籌集資金，本公司宣佈，其建議按每股發售股份0.10港元之價格（須於接納時繳足）向合資格股東發行117,726,000股新股份（「公開發售」），以籌集約11,770,000港元，基準為於記錄日期每持有兩股股份獲發一股發售股份。有關公開發售之章程已於二零零七年七月十九日寄發，而公開發售預計將於二零零七年八月初完成。公開發售之所得款項淨額將約為10,180,000港元，從而加強本集團之財務狀況。

CONCLUSION

On behalf of the Board of Directors, I would like to thank the management and our staff for their tremendous effort in taking our business forward during the review period. My sincere gratitude also goes to our investors, partners and customers for their trust in the Group all these years. Although the Group expects fiscal 2007 to be very challenging for its business, with the leadership of an experienced management team and our professional staff, it is confident about maintaining its leading edge and upholding its dominant position in local exhibition industry. I strongly believe that the Group will create significant value for shareholders in the years to come.



Duncan Cheung

Managing Director

Hong Kong, 25 July 2007

總結

本人謹代表董事會感謝管理層及全體員工於回顧期內致力推動本集團業務發展。本人亦特此對各投資者、合作夥伴及客戶多年來對本集團的信任致以衷心感謝。儘管本集團預期二零零七財政年度業務將面對重重挑戰，但是在經驗豐富的管理層的領導下，加上本集團專業員工所付出的努力，本人有信心可維持建發國際在本地展覽行業的優勢及領導地位。本人深信，本集團未來將繼續為股東締造更大的價值。



董事總經理

張瑞貴

香港，二零零七年七月二十五日

DIRECTORS, SENIOR MANAGEMENT PROFILES & MAJOR DEPARTMENTS 董事、管理層及主要部門

EXECUTIVE DIRECTORS

Mr. IP Ki Cheung, aged 50, who founded the Group in 1991, is the Chairman of the Company. Appointed as a director of the Company on 16 January 2002, Mr. Ip is accountable for the overall strategic planning and development of the Group. He has over 20 years of experience in the plastic products and trade exhibitions industries. Mr. Ip is now the Chief President of the Hong Kong and Kowloon Plastic Products Merchants United Association, and he has obtained a bachelor's degree in Commerce from Concordia University, Canada.

Mr. CHEUNG Shui Kwai, aged 49, is the Managing Director of the Company. He joined the Group in 1991 and was appointed as a director of the Company on 16 January 2002. With 17 years of experience in the administration, operation, organization and marketing of the Group's trade exhibitions, Mr. Cheung is now supervising the overall operations and management of the Group.

Mr. CHAN Siu Chung, aged 46, who joined the Group in 1991, was appointed as a director of the Company on 16 January 2002. He has over 15 years of experience in the trade exhibitions industry, and his primary responsibility is to take charge of the Group's customer services and public relations matters.

執行董事

葉紀章先生，50歲，於一九九一年創立本集團，現為本公司主席。葉先生於二零零二年一月十六日獲委任為本公司董事，負責本集團整體策略規劃及發展。葉先生於塑膠產品及貿易展覽業累積逾20年經驗，現任港九塑膠製造商聯合會首席會長。葉先生畢業於加拿大康哥迪亞大學(Concordia University)，取得商務學士學位。

張瑞貴先生，49歲，為本公司董事總經理。張先生於一九九一年加入本集團，並於二零零二年一月十六日獲委任為本公司董事。張先生於本集團旗下貿易展覽會之行政、運作、組織及市場推廣方面累積17年經驗，現負責本集團整體管理及日常營運。

陳兆忠先生，46歲，於一九九一年加入本集團，並於二零零二年一月十六日獲委任為本公司董事。陳先生於貿易展覽業累積15年經驗，現負責本集團客戶服務及公共關係。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Wing Yau, George, aged 52, joined the Company on 22 February 2002 as an independent non-executive director. Graduated with a bachelor's degree in Mathematics from the Waterloo University in Canada, Mr. Chan is now the Chairman of Capital Focus Asset Management. In addition, Mr. Chan has served as the Assistant Vice President of William M. Mercer Ltd., Director of Jardine Fleming Investment Services Ltd., Executive Director of HSBC Asset Management Ltd., Director of Peregrine Asset Management Ltd., Director and General Manager and Chief Investment Officer of Dao Heng Fund Management Ltd.. Mr. Chan has also been the member of the Central Policy Unit of the Government of Hong Kong Special Administrative Region, member of the Consumers Litigation Fund Executive Committee, President of Rotary Club of Tsim Sha Tsui East, Board Member of Hong Kong Ocean Park and Chairman of Hong Kong Ocean Park Investment Committee.

Mr. LAI Yang Chau, Eugene, aged 37, is a practising solicitor in Hong Kong. He holds a master of Laws degree from the People's University of the PRC, and a master of Laws degree from the City University of Hong Kong. Mr. Lai joined the Group as the independent non-executive director of the Company on 15 December 2003.

Mr. LAW Sung Ching, Gavin, aged 50, was appointed as the Company's independent non-executive director on 27 July 2004. Mr. Law is the Director of LSC Consultants Ltd. and Senior Advisor of C C Kwong & Company, Certified Public Accountants. He has accumulated over 20 years of experience in finance and over 10 years of experience in auditing, accounting and company secretarial services from several financial institutions, including Bank of America, Royal Bank of Canada, IBI Asia Ltd. and CEF Holdings Limited.

獨立非執行董事

陳永祐先生，52歲，於二零零二年二月二十二日加入本公司，為本公司獨立非執行董事。陳先生畢業於加拿大滑鐵盧大學，持有數學學士學位。陳先生現為Capital Focus Asset Management主席。此外，陳先生曾擔任偉世服務顧問有限公司助理副主席、怡富投資服務有限公司董事、匯豐投資管理有限公司執行董事、百富勤資金管理有限公司董事及道亨基金管理有限公司董事兼總經理及投資總監。而陳先生亦曾出任香港政府中央政策組成員、消費者訴訟基金執行委員會委員、國際扶輪社香港尖沙咀東社長、香港海洋公園董事會成員及香港海洋公園投資委員會主席。

黎瀛洲先生，37歲，香港執業律師。黎先生持有中國人民大學法律碩士學位及香港城市大學法律碩士學位。黎先生於二零零三年十二月十五日獲本集團委任為本公司獨立非執行董事。

羅崇禎先生，50歲，於二零零四年七月二十七日獲委任為本公司獨立非執行董事。羅先生現任LSC Consultants Ltd.董事，以及鄺志才會計師行（香港執業會計師）之高級顧問。羅先生於財經界累積逾20年經驗，同時在核數、會計及公司秘書事務方面亦擁有超過10年經驗。羅先生曾服務於多間金融機構，包括美國銀行、加拿大皇家銀行、國銀亞洲有限公司及加拿大怡東集團有限公司。

SENIOR MANAGEMENT

Mr. KHAN Javed Iqbal, aged 44, is the General Manager of the Group. Mr. Khan joined the Group in January 1992. With 15 years of experience in the trade fair industry, he primarily oversees the promotion and marketing of the Group's overseas trade exhibitions and the administrative function of the Group.

Mr. FONG Wang, aged 38, joined the Group in December 1991. As the General Manager of the Group, Mr. Fong is responsible for the marketing and promotions of the Group's exhibitions in Hong Kong and China and he has 15 years of experience in the trade show industry.

Mr. SI Tze Fung, aged 43, is the Senior Manager of the Group. With over 20 years of experience and proven track record in marketing, Mr. Si is principally responsible for marketing the Group's trade shows and other business. He joined the Group in May 1998.

Mr. CHEUNG Yun Fat, aged 40, is the Project Manager of the Group. He joined the Group in May 1993. With 13 years of experience in the trade fair industry, Mr. Cheung is responsible for the sales and marketing activities of the Group's local and China-based trade exhibition projects.

Mr. HO Pei Yiu, aged 39, joined the Group in July 1993. As the Group's Project Manager, he is responsible for the sales and marketing activities of the overseas trade exhibitions organized by the Group. Mr. Ho has 13 years of experience in the trade fair industry.

Mr. HUNG Chung Wah, aged 31, joined the Group in August 2006, the Finance Manager and Company Secretary of the Group. With over 7 years of experience in auditing, accounting and taxation, he is now responsible for the Group's accounting and company secretarial matters. Mr. Hung holds a bachelor's degree in Accountancy from the City University of Hong Kong. He is associate member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

高級管理層

簡志偉先生，44歲，於1992年1月加入本集團。簡先生於貿易展覽業累積15年經驗，負責本集團海外貿易展覽的宣傳及市場推廣，同時參與本集團之行政工作。

方宏先生，38歲，於1991年12月加入本集團，現為本集團總經理，負責本集團香港及中國展覽會之宣傳及推廣工作。方先生於貿易展覽業累積15年經驗。

施子豐先生，43歲，為本集團之高級經理，在市場推廣方面累積逾20年經驗，現負責本集團貿易展覽之市場推廣工作及其他業務。施先生於1998年5月加入本集團。

張潤發先生，40歲，為本集團項目經理。張先生於1993年5月加入本集團，於貿易展覽業累積13年經驗，現負責本集團本地及中國貿易展覽項目之銷售及市場推廣。

何比耀先生，39歲，於1993年7月加入本集團，為本集團項目經理。何先生於貿易展覽業累積13年經驗，現負責本集團海外貿易展覽項目之銷售及市場推廣。

洪從華先生，31歲，於2006年8月加入本集團，為本集團財務經理及公司秘書。洪先生於核數、會計及稅務方面累積超過7年經驗，現負責本集團的會計及公司秘書事宜。洪先生持有香港城市大學會計學學士學位，現為英國特許會計師公會會員及香港會計師公會會員。

MAJOR DEPARTMENTS

The Group has a professional team of over 160 exhibition specialists. Led by the highly competent management team, the 15 departments, including Sales, Publications, Information Technology, Marketing, Exhibitions Operations, Design, Accounts, Administration, Customer Services, Business Development, China, Travel, Information Processing, as well as the Corporate Development and e-Marketing, newly established in 2007, work in concerted effort to enhance the identification of potential strategic partnership opportunities and the link between the Group with the exhibitors and buyers.

主要部門

本集團擁有一支超過160名專業人員的強大隊伍，組成15個陣容鼎盛的部門，包括：營業部、刊物出版部、資訊科技部、市場推廣部、展覽事務執行部、設計部、會計部、行政部、客戶服務部、業務發展部、中國部、旅遊部、市場資料蒐集部以及最近於二零零七年設立之企業發展與電子市場推廣部。在經驗豐富的管理人員帶領下，各部門齊心協力，積極物色潛在的策略夥伴合作機會及加強本集團與各展覽商及買家的業務聯繫。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to ensuring high standards of corporate governance through the establishment and adoption of good practices and procedures which are in the best interests of the Company and its shareholders. The principles of corporate governance adopted by the Company enhance board practices, internal controls, transparency and accountability to the Company's shareholders.

The Company applied the principles and complied with all code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the accounting period covered by the annual report (the "Period"), with the exceptions of deviations from the Code provision A.4.1 & A.4.2 mentioned below under the sub-heading "APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS".

The Board will review the corporate governance practices and procedures from time to time and shall make necessary arrangements when the Board considers appropriate.

We have summarized the corporate governance practices and procedures adopted by the Company during the Period as below:

THE BOARD OF DIRECTORS

As at the date of this report, the Board comprises a total of six directors, including three executive directors and three INEDs. One of the INEDs has the relevant accounting and related financial management expertise as required by the Listing Rules. The names of the directors by category are as follows:-

Executive directors

Ip Ki Cheung (*Chairman*)
Cheung Shui Kwai (*Managing Director*)
Chan Siu Chung

Independent non-executive directors

Chan Wing Yau, George
Lai Yang Chau, Eugene
Law Sung Ching, Gavin

Biographical details of each director are set out under the Directors, Senior Management Profiles & Major Departments section on pages 23 to 25 of this annual report.

The Company has received confirmation from each of the INEDs about his independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all INEDs meet the independence rules and continues to consider each of them to be independent.

本公司承諾透過制定及採納符合本公司及其股東最佳利益之良好常規及程序，以確保達致高水準之企業管治。本公司所採納之企業管治原則有助加強董事會常規、內部監控、對本公司股東之透明度及問責。

本公司已於整個年報所涵蓋之會計期間內（「該期間」）應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「企業管治守則」）之所有守則條文，惟下文「董事之委任、重選及免職」分節所述之偏離守則條文第A.4.1及第A.4.2條者除外。

董事會將不時檢討企業管治常規及程序，並於董事會認為適當時作出必要安排。

吾等已於下文概述本公司於該期間內所採納之企業管治常規及程序：

董事會

於本報告日期，董事會共由六名董事組成，包括三名執行董事及三名獨立非執行董事。其中一名獨立非執行董事擁有如上市規則所規定之有關會計及相關財務管理專長。董事之姓名分類如下：

執行董事

葉紀章（主席）
張瑞貴（董事總經理）
陳兆忠

獨立非執行董事

陳永祐
黎灝洲
羅崇禎

各位董事之履歷詳情載於本年報第23至第25頁之董事、高級管理層及主要部門一節。

本公司已收到各獨立非執行董事根據上市規則第3.13條作出之關於其獨立性之確認書。本公司認為所有獨立非執行董事均符合獨立性規則，並繼續認為彼等各自均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board, as led by the Chairman, is collectively responsible for the set up of the Group's overall strategies, operating and financial policies, Approval of annual budgets and business plans, evaluation of the performance of the Company's business, and oversight of the management team. The management team is responsible for the day-to-day operations of the Group under the supervision of the Managing Director.

CHAIRMAN AND MANAGING DIRECTOR

The positions of the Chairman and the Managing Director are held by separate individuals with a view to maintaining an effective segregation of duties regarding the management of the Board and the day-to-day management of the Group's businesses.

The Chairman leads the Board and oversees the functioning of the Board to ensure that the Board acts in the best interests of the Company and its shareholders, and Board meetings are planned and conducted effectively. The Chairman is primarily responsible for the approval of the agenda prepared by the Company Secretary for each Board meeting, and taking into account, where appropriate, matters proposed by members of the Board and including them in the agenda. With the support of other executive directors and the Company Secretary, the Chairman seeks to ensure that all directors are properly briefed on issues arising at Board meetings and receive sufficient and reliable information in a timely manner before the Board meetings. The Chairman also actively encourages directors to engage in the Board's affairs and make contribution to the Board's decisions.

The Managing Director is responsible for the day-to-day management of the Group's businesses, the formation and implementation of operating and financial policies among the Group and accountability to the Board for all the Group's operations. The Managing Director together with the management team ensures that the Company's business plans are consistent with the strategies and objectives established by the Board. In addition, the Managing Director ensures that the Company meets its funding requirements and closely monitors the operating and financial results against the Company's business plans and budgets, and takes remedial actions if necessary. The Managing Director is also responsible for the establishment and maintenance of an effective management team to assist him in the day-to-day management of the Group's businesses.

BOARD PRACTICES

Regular Board meetings are scheduled in advance to give all directors an opportunity to attend in person. Twelve regular Board meetings had been held during the Period. Each of the directors has full access to information of the Company and has access to the advice and services of the Company Secretary in respect of compliance with board procedures and all applicable rules and regulations. Each of the directors may also take independent professional advice at the Company's expense, if necessary, in accordance with the approved procedures. The minutes of the Board are prepared by the Company Secretary with details of the matters considered by the Board and decisions reached, including any concerns raised by the members of the Board or dissenting views expressed.

在主席之領導下，董事會共同負責制定本集團之整體策略、經營及財務政策、審批年度預算與業務計劃、評估本公司之業務表現以及監督管理層團隊。管理層團隊在董事總經理之監督下負責本集團之日常經營業務。

主席及董事總經理

主席及董事總經理之職務由不同人士擔任，旨在維持有關董事會管理與本集團業務日常管理之職責之有效分配。

主席領導董事會及監督董事會之職能，以確保董事會按符合本公司及其股東之最佳利益行事，並有效籌劃及進行董事會會議。主席主要負責審批由公司秘書為每次董事會會議準備之議程，並考慮(如適用)董事會成員提出之事項及將其納入會議議程。在其他執行董事及公司秘書之支持下，主席尋求確保所有董事就於董事會會議上提出之事項得到適當說明，並於董事會會議前及時獲得充足及可靠之資料。主席亦積極鼓勵董事參與董事會事務並為董事會之決議作出貢獻。

董事總經理負責本集團業務之日常管理、制定及執行本集團之經營及財務政策，並就本集團之所有經營業務對董事會負責。董事總經理及管理層團隊確保本公司之業務計劃與董事會制定之策略及目標一致。另外，董事總經理確保本公司可應付其資金需求及就本公司業務計劃及預算密切監察其經營及財務業績，並於必要時採取補救措施。董事總經理亦負責建立及維護一支有效的管理層團隊，以協助其進行本集團業務之日常管理。

董事會常規

董事會定期會議乃預先安排，以令所有董事均有機會親自參加有關會議。於該期間內舉行了十二次董事會定期會議。各董事可索取本公司之一切資料，並可就遵守董事會程序及所有適用規則及規例請公司秘書提供意見及服務。各董事亦可按照所需及根據既定程序尋求獨立專業意見，有關支出由本公司承擔。董事會會議紀錄及董事會所考慮之事宜及所達致之決定(包括董事會成員提出之任何關注事項或表達之不同看法)均由公司秘書備存。

CORPORATE GOVERNANCE REPORT

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The Board held Twelve meetings during the Period and the attendance record of each member of the Board is set out below:

董事會於該期間內舉行了十二次會議，董事會各位董事之出席記錄如下：

	Directors	Attendance of Board meetings in 2006/07 於二零零六年／零七年 內出席董事會會議次數	Attendance Rate 出席率
Executive directors 執行董事	Ip Ki Cheung (Chairman) 葉紀章 (主席)	12/12	100%
	Cheung Shui Kwai (Managing Director) 張瑞貴 (董事總經理)	12/12	100%
	Chan Siu Chung 陳兆忠	12/12	100%
Independent non-executive directors 獨立非執行董事	Chan Wing Yau, George 陳永祐	6/12	50%
	Lai Yang Chau, Eugene 黎瀛洲	2/12	17%
	Law Sung Ching, Gavin 羅崇禎	6/12	50%

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

In accordance with article 86(3) of the Articles, any director appointed by the board to fill a casual vacancy should be subject to election by Shareholders at the first general meeting of the Company. In accordance with articles 87(1) of the Articles, every director (including those appointed for a specific term or holding office as Chairman of the Board or the Managing Director of the Company) shall be subject to retirement by rotation at least once every three years.

Under the CG Code, non-executive directors should be appointed for specific terms, subject to re-election. Currently, the independent non-executive Directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's articles of association.

However, the Chairman, Ip Ki Cheung and the Managing Director, Cheung Shui Kwai, are not subject to retirement by rotation. This constitutes a deviation from code provision of A.4.2 of the CG code. As continuation is a key factor to the successful implementation of business plans, the Board believes that the roles of the Chairman and the Managing Director provide the Company with strong and consistent leadership and are beneficial to the Company especially in planning and execution of business strategies and also believes that the present arrangement is beneficial to the Company and the shareholders of the Company as a whole.

董事之委任、重選及免職

根據細則第86(3)條，董事會所委任以填補臨時空缺之任何董事應於本公司之首次股東大會上接受股東選舉。根據細則第87(1)條，每位董事(包括獲委任一個指定任期或擔任董事會主席或本公司董事總經理職務者)須至少每三年輪值退任一次。

根據企業管治守則，非執行董事應獲委任指定任期(可予重選)。目前，獨立非執行董事並無設定任期，但須根據本公司之公司組織章程細則，於本公司之股東週年大會上輪值退任。

然而，主席葉紀章先生及董事總經理張瑞貴先生毋須輪值退任。此舉構成偏離企業管治守則之守則條文A.4.2條。由於持續性乃成功實行業務計劃之關鍵一環，故董事會相信，主席及董事總經理之角色可為本公司提供強大一貫之領導能力，從而對本公司特別是在規劃及執行業務策略方面有利，而董事會亦相信，目前安排對本公司及本公司股東整體有利。

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MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company adopted a code of conduct regarding directors’ securities transactions as set out in the Model Code in Appendix 10 of the Listing Rules on the terms no less exacting than the required standard set out in the Model Code throughout the Period. After having made specific enquiry to all directors of the Company, the directors are of the opinion that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the Period.

ACCOUNTABILITY

The following statement, which sets out the responsibilities of the directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Independent Auditors’ Report on pages 44 to 45 of the annual report which acknowledges their reporting responsibilities as the external auditors of the Company:

(i) Annual and Interim Reports and Financial Statements

The directors acknowledge their responsibility to prepare the financial statements of the Company and of the Group for each financial year which gives a true and fair view of the state of affairs of the Company and of the Group as at the year end and of the Group’s profit or loss and cash flow for the year then ended.

(ii) Accounting Policies

In preparing the financial statements for each financial year, the directors have selected appropriate accounting policies and apart from those new and amended accounting policies as disclosed in the notes to the financial statements, have applied them consistently with previous financial periods. Judgments and estimates have been made that are prudent and reasonable.

(iii) Accounting Records

The directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and enable the preparation of financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Listing Rules.

上市公司董事進行證券交易之標準守則（「標準守則」）

本公司已於整個該期間內採納上市規則附錄十內標準守則所載之有關董事進行證券交易之行為守則，其條款並不於標準守則所載之規定標準。在向本公司全體董事作出特定查詢後，各董事認為彼等於整個該期間內一直遵守標準守則所載之規定標準及其有關董事進行證券交易之行為守則。

問責

下文陳述（載有董事有關財務報表之責任）應與年報第44頁至第45頁確認本公司外聘核數師呈報職責之獨立核數師報告書一併閱讀，但兩者應分別獨立理解：

(i) 年度及中期報告與財務報表

董事確認負責編製本公司及本集團於各財政年度之財務報表，而有關財務報表應真實及公平地反映本公司及本集團於年結日之財務狀況以及本集團於當時年結日之盈虧及現金流量狀況。

(ii) 會計政策

於編製各財政年度之財務報表時，董事已選用適當之會計政策，並（除財務報表附註所披露之有關新訂及經修訂之會計政策外）採納與先前財政期間一致之會計政策。本公司已作出謹慎合理之判斷及估計。

(iii) 會計紀錄

董事有責任確保本集團存置會計紀錄，而該等紀錄可合理準確披露本集團之財務狀況，以及可根據香港會計師公會頒佈之香港財務報告準則、香港普遍採納之會計原則及香港公司條例之披露規定及上市規則之適當披露條文編製財務報表。

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(iv) Safeguarding Assets

The directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(v) Going Concern

The directors, having made specific enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company and of the Group.

BOARD COMMITTEES

As an integral part of good corporate governance, the Board has established the following Board Committees to oversee particular aspects of the Company's affairs. A majority of the members of each of these Committees is INEDs. Each of the Audit, Remuneration and Nomination Committee is governed by its respective terms of reference.

AUDIT COMMITTEE

The Audit Committee, which comprises the three INEDs, is chaired by Mr. Chan Wing Yau, George and the other two members of the Committee are Mr. Lai Yang Chau, Eugene and Mr. Law Sung Ching, Gavin.

The terms of reference of the Audit Committee is based on "A Guide for the Formation of an Audit Committee" and updated by "A Guide for Effective Audit Committees" as issued by the HKICPA (previously known as the Hong Kong Society of Accountants) in December 1997 and in February 2002 respectively. It sets out the powers and duties of the Audit Committee, which includes those as set out in code provisions C.3.3(a) to (n) of the CG Code, and is reviewed by the Board from time to time.

The Audit Committee meets regularly with the management and the external auditors of the Company and reviews matters relating to audit, accounting and financial statements as well as internal control, risk evaluation and general compliance of the Group, and reports directly to the Board. It reviews the external auditors about their independence and objectivity and holds meetings with the external auditors to discuss the nature and scope of audit and reporting obligations and also makes recommendations to the Board on the selection, appointment, resignation or dismissal of the external auditors.

(iv) 保護資產

董事有責任採取一切合理及必要措施，以保護本集團之資產以及防範及查明欺詐和其他問題。

(v) 持續經營

經作出特定查詢後，董事認為本集團擁有充足資源以供在可見將來繼續經營業務，有鑒於此，採用持續經營基準編製本公司及本集團之財務報表實屬恰當。

董事委員會

作為良好企業管治之整體一部分，董事會已成立下列董事委員會，以監督本公司之各類具體事務。該等各委員會之成員大多數為獨立非執行董事。各審核、薪酬及提名委員會乃受其各自之職權範圍所規管。

審核委員會

審核委員會（由三名獨立非執行董事組成）由陳永祐先生擔任主席，而此委員會之其他兩名成員為黎灝洲先生及羅崇禎先生。

審核委員會之職權範圍乃根據香港會計師公會分別於一九九七年十二月頒佈之「成立審核委員會指引」及於二零零二年二月更新之「審核委員會有效運作指引」釐定，其載有審核委員會之權力及職責（包括企業管治守則之守則條文第C.3.3(a)至(n)條所載者），並由董事會不時檢討。

審核委員會乃定期與管理層及本公司之外聘核數師舉行會議，及檢討有關本集團之核數、會計及財務報表以及內部監控、風險評估及一般遵例之事宜，並直接向董事會匯報。審核委員會就外聘核數師之獨立性及客觀性進行檢討，並與外聘核數師舉行會議以討論核數之性質及範圍及呈報責任，以及亦須就挑選、委任、辭任或免除外聘核數師向董事會提出推薦建議。

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The Audit Committee held three meetings during the Period and the attendance record of each Audit Committee member is set out below:

審核委員會已於該期間內舉行三次會議，各審核委員會成員之出席紀錄載列如下：

Directors		Attendance of Audit Committee meetings in 2006/07	Attendance Rate
董事		於二零零六年／零七年 出席審核委員會會議次數	出席率
Chan Wing Yau, George	陳永祐	3/3	100%
Lai Yang Chau, Eugene	黎瀛洲	2/3	67%
Law Sung Ching, Gavin	羅崇禎	3/3	100%

The major work performed by the Audit Committee during the Period is summarized below:

審核委員會於該期間內履行之主要工作概述如下：

(i) Review of Financial Statements

The Audit Committee met and held discussions with the Group's external auditors and senior management, and reviewed the draft 2006 annual report and financial statements and 2006 interim report and financial statements before making recommendations for the Board's approval. It reviewed and discussed the management's reports and representations with a view to ensuring that the Group's consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of Appendix 16 to the Listing Rules.

(i) 審閱財務報表

審核委員會與本集團之外聘核數師及高級管理層舉行會議及進行討論，並向董事會提出批准推薦建議前審閱二零零六年年報草稿及財務報表以及二零零六年中期報告及財務報表。審核委員會審閱及討論管理層之報告及陳述，旨在確保本集團之綜合財務報表乃按照香港普遍採納之會計原則及上市規則附錄十六之適用披露規定編製。

(ii) Review of the Company's financial controls, risk management and internal control systems

The Audit Committee reviewed the process by which the Group evaluated its control environment and its risk assessment process, and the way in which business and control risks were managed. It made recommendations to the Board about the effectiveness of internal control systems in the Group's business operations. These controls and systems allowed the Board to monitor the Company's overall financial position and to protect its assets.

(ii) 檢討本公司之財務監控、風險管理及內部監控系統

審核委員會檢討本集團對其監控環境與風險管理之評估程序，以及對營運及監控風險之管理方式，並就本集團業務經營之內部監控系統之有效性向董事會提出推薦建議。該等監控及系統可讓董事會監察本公司之整體財務狀況及保護其資產。

The Audit Committee met and held discussions with HLB Hodgson Impey Cheng Consultants Limited for the progress, findings and results of the review on the internal control system.

審核委員會已與國衛顧問有限公司就內部監控系統之檢討進展及結果進行了會晤及作出討論。

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REMUNERATION COMMITTEE

The Remuneration Committee, which comprises two INEDs and one executive director, is chaired by Mr. Chan Wing Yau, George and the other two members of the Committee are Mr. Law Sung Ching, Gavin and Mr. Chan Siu Chung.

The Remuneration Committee's major responsibilities include the review of the Company's policy and structure for all remuneration of directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration, and the review and approval of performance-based remuneration by reference to corporate goals and objectives.

The Remuneration Committee held one meeting during the Period and the attendance record of each Audit Committee member is set out below:

薪酬委員會

薪酬委員會由兩位獨立非執行董事及一位執行董事組成，其中陳永祐先生擔任該委員會主席，及該委員會之其他兩位成員為羅崇禎先生及陳兆忠先生。

薪酬委員會之主要職責包括檢討本公司有關董事及高級管理層所有薪酬之政策及架構，並就該薪酬制定正規及具透明度之政策程序，以及參照公司目的及目標檢討及批准按表現釐定之薪酬。

薪酬委員會已於該期間內舉行一次會議，各薪酬委員會成員之出席紀錄載列如下：

		Attendance of Remuneration Committee meeting in 2006/07 於二零零六年／零七年 出席薪酬委員會會議次數	Attendance Rate 出席率
Directors	董事		
Chan Wing Yau, George	陳永祐	1/1	100%
Law Sung Ching, Gavin	羅崇禎	1/1	100%
Chan Siu Chung	陳兆忠	1/1	100%

The Remuneration Committee has reviewed and discussed the salaries of all the directors and made recommendations to the Board.

薪酬委員會已檢討及討論所有董事之薪金並向董事會提出建議。

NOMINATION COMMITTEE

The Nomination Committee, which comprises two INEDs and one executive director, is chaired by Mr. Law Sung Ching, Gavin and the other two members of the Committee are Mr. Lai Yang Chau, Eugene and Mr. Ip Ki Cheung.

The Nomination Committee's major responsibilities include:

- (i) to review of the structure, size and composition of the Company's Board of Directors including, inter alia, the skills, knowledge, integrity, accomplishment and experience in the relevant industry;
- (ii) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship;
- (iii) assess the independence of independent non-executive directors; and
- (iv) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

提名委員會

提名委員會由兩位獨立非執行董事及一位執行董事組成，其中羅崇禎先生擔任該委員會主席，及該委員會之其他兩位成員為黎瀛洲先生及葉紀章先生。

提名委員會之主要職責包括：

- (i) 檢討本公司董事會之架構、規模及組成，包括(但不限於)技能、學識、誠信、才幹及於相關行業之經驗；
- (ii) 物色符合資格成為董事會成員之適當人選，並就挑選所提名人士擔任董事職務向董事會提供推薦意見；
- (iii) 評估獨立非執行董事之獨立性；及
- (iv) 就與委任或重新委任董事及董事連任計劃有關之相關事宜向董事會提供推薦意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee held one meeting after the Period.

提名委員會於該期間後舉行了一次會議。

Attendance of Nomination Committee meeting in 2006/07		Attendance Rate
Directors	於二零零六年／零七年 出席提名委員會會議次數	
董事		出席率
Law Sung Ching, Gavin	羅崇禎	1/1
Lai Yang Chau, Eugene	黎瀛洲	0/1
Ip Ki Cheung	葉紀章	1/1

The Nomination Committee has reviewed and discussed (1) the prevailing structure, size and composition of the Board; (2) the independence of the INEDs; and (3) nomination of directors for re-election at the forth coming annual general meeting. The Nomination Committee has made recommendations to the Board.

提名委員會曾審閱及討論(1)董事會之現行架構、規模及組成；(2)獨立非執行董事之獨立性；及(3)於應屆股東週年大會上提名有關重選之董事。提名委員會已向董事會提出建議。

In selecting a suitable candidate to become a member of the Board, the Nomination Committee will consider various criteria such as education, qualification, experience and reputation of such candidate.

於挑選合適候選人加入董事會時，提名委員會將考慮多項標準，例如該候選人之教育、資格、經驗及知名度等。

INTERNAL CONTROL AND GROUP RISK MANAGEMENT

The Board has overall responsibilities for maintaining sound and effective internal control systems of the Group. The Group's systems of internal control include a defined management structure with limits of authority which is designed to help the achievement of business objectives, safeguard assets against unauthorised use or disposition, to ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

內部監控及集團風險管理

董事會須全面負責維持本集團穩建及有效之內部監控系統。本集團之內部監控系統包括界定管理架構及授權限制，而界定管理架構有助實現各項業務目標、保障資產免於未經授權挪用或處置，從而確保維護妥當之會計記錄以提供可靠之財務資料供內部使用或作發表之用，並確保遵守相關法例及規例。上述監控系統旨在合理（但並非絕對）保證並無重大失誤陳述或損失，以及管理（而非消除）營運系統失誤及本集團未能達標之風險。

(i) Organisational Structure

An organisational structure with operating policies and procedures, lines of responsibility and delegated authority has been established.

(i) 組織架構

本公司已建立一套訂明相關營運政策及程序、職責及權限之組織架構。

(ii) Authority and Control

The relevant executive directors and senior management are delegated with respective levels of authorities with regard to key corporate strategy and policy and contractual commitments.

(ii) 權限及監控

相關執行董事及高級管理層各自獲授有關重要企業策略及政策及合約承諾之權限。

(iii) Budgetary Control and Financial Reporting

Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

(iii) 預算控制及財務申報

本公司已建立適當監控程序，以確保全面、正確及及時紀錄會計及管理資料，並定期進行檢討及審查，以確保按照普遍採納之會計原則、本集團之會計政策及適用之法例及規例編製財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

(iv) Group Risk Management

The Group has developed and implemented risk mitigation strategies including the use of insurance to transfer the financial impact of risk upon directors and senior management.

The Company has engaged HLB Hodgson Impey Cheng Consultants Limited to perform review on the internal control system of the Group during the year. The progress, findings and results have been discussed in the Audit Committee meeting held during the year and after year end date.

The Board, through the Audit Committee, has reviewed the effectiveness of the Company's system of internal control over financial, operational and compliance issues for the year 2006 and the Audit Committee concluded that the Company has set up a sound control environment and necessary control mechanism to monitor and correct non-compliance. The Board is satisfied that the Company in 2007 fully complied with the provisions on internal controls as set out in CG Code.

EXTERNAL AUDITORS

HLB Hodgson Impey Cheng ("HLB") are currently appointed as the external auditors of the Company, which provides audit and non-audit services to the Company. In order to maintain HLB's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards, the Audit Committee, under its terms of reference, holds meetings with HLB to discuss the nature and scope of their audit and related fees, and to approve the nature and scope of non-audit services requested by the Company and related fees.

The nature of audit and non-audit services provided by HLB and fees paid to HLB (including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) are set out below:

Auditors' remuneration:

- Audit services
- Tax services
- Other services

核數師酬金：

- 核數服務
- 稅務服務
- 其他服務

HK\$'000
千港元

500
200
1,917

2,617

The Board has accepted the recommendation from the Audit Committee on re-appointing HLB as the external auditors of the Company.

(iv) 集團風險管理

本集團已發展及實施風險減輕策略，包括使用保險以轉移風險對董事及高級管理層之財務影響。

本公司已委聘國衛顧問有限公司對本集團年內之內部監控系統進行檢討。有關進展及結果已在年內舉行之審核委員會會議上及於年結日後討論。

董事會已透過審核委員會檢討了本公司有關二零零六年度之財務、營運及合規事宜之內部監控系統之效力，審核委員會得出之結論是，本公司已制定穩健的監控環境及必要監控機制，以監察及糾正未有合規之情況。董事會相信，本公司於二零零七年已全面遵守企業管治守則所載之內部監控條文。

外聘核數師

國衛會計師事務所（「國衛」）向本公司提供核數及非核數服務。為維持國衛按照適用標準進行核數程序之獨立性及客觀性及有效性，審核委員會在其職權範圍內與國衛舉行會議以討論其核數之性質及範圍及相關費用，並審批本公司要求之非核數服務之性質及範圍及相關費用。

國衛提供之核數及非核數服務之性質及支付予國衛（包括與會計師事務所受共同控制、擁有或管理之任何機構，或知悉所有相關資料之合理知情第三方可合理斷定為該會計師事務所之國內或國際分部之任何機構）之費用如下：

董事會已接納審核委員會關於續聘國衛為本公司外聘核數師之推薦建議。

REPORT OF THE DIRECTORS

董事會報告

The board of directors (the "Board") submit herewith their report and the audited financial statements of Kenfair International (Holdings) Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 46 to 99.

An interim dividend of HK5 cents (2006: HK5 cents) per ordinary share was paid on 10 January 2007. The directors do not recommend the payment of a final dividend (2006: Nil) in respect of the year to shareholders of the Company.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results and of the assets and liabilities of the Group:

董事會(「董事會」)謹此提呈彼等之報告及建發國際(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零七年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務詳情載於財務報表附註17。年內，本集團之主要業務性質概無重大變動。

業績及股息

本集團截至二零零七年三月三十一日止年度之虧損及本公司與本集團於該日之業務狀況載於財務報表第46至第99頁內。

本公司已於二零零七年一月十日派付中期股息每股普通股5港仙(二零零六年：5港仙)。董事會不建議向本公司之股東派付本年度末期股息(二零零六年：無)。

財務資料概要

以下為本集團已刊發之綜合業績及資產與負債概要：

REPORT OF THE DIRECTORS

董事會報告

SUMMARY FINANCIAL INFORMATION (continued)

財務資料概要 (續)

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2004 HK\$'000 千港元 (Restated) (重列)	2003 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額					
Participation fee income	參展費收入	212,976	233,819	203,969	204,931	171,169
Entrance fee income	入場費收入	762	918	1,020	1,787	1,357
Hotel and travel package income	酒店及旅遊套票收入	11,833	14,632	12,317	11,686	-
Administrative income	行政收入	-	-	-	-	251
Advertising fee income	廣告費收入	8,105	9,576	8,741	7,200	6,948
Portal income	入門網站收入	2,643	2,705	2,631	2,748	1,156
		236,319	261,650	228,678	228,352	180,881
Other revenue	其他收益	3,097	1,112	511	333	334
Other income	其他收入	290	1,503	15,201	7,426	-
		239,706	264,265	244,390	236,111	181,215
Fair value losses on financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產之公平值虧損	-	(15,126)	-	-	-
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之財務資產之虧損	(8,500)	-	-	-	-
Advertising and promotion expenses	廣告及推廣開支	(39,532)	(44,716)	(29,585)	(25,459)	(19,093)
Agency commission	代理佣金	(15,948)	(15,473)	(13,006)	(13,253)	(11,300)
Amortisation and depreciation	攤銷及折舊	(8,467)	(8,234)	(8,752)	(10,494)	(4,950)
Hotel and travel package expenses	酒店及旅遊套票開支	(12,122)	(14,537)	(12,133)	(12,437)	-
Impairment loss recognised in respect of intangible assets	已確認無形資產之減值虧損	(7,425)	-	-	-	-
Operating lease rentals	經營租賃租金	(49,336)	(39,026)	(32,382)	(34,511)	(25,432)
Staff costs	員工成本	(50,693)	(55,087)	(43,129)	(40,405)	(29,146)
Other operating expenses	其他營運開支	(77,671)	(100,749)	(62,439)	(56,492)	(38,543)
(Loss)/profit from operating activities	經營業務(虧損)/溢利	(29,988)	(28,683)	42,964	43,060	52,751
Finance costs	融資成本	-	(67)	(189)	(352)	(386)
(Loss)/profit before tax	除稅前(虧損)/溢利	(29,988)	(28,750)	42,775	42,708	52,365
Taxation	稅項	(4,423)	(3,474)	(8,000)	(10,500)	(9,947)
(Loss)/profit for the year	本年度(虧損)/溢利	(34,411)	(32,224)	34,775	32,208	42,418
Attributable to	歸屬於					
- Minority interests	- 少數股東	-	967	-	-	-
- Equity holders of the Company	- 本公司股東	(34,411)	(33,191)	34,775	32,208	42,418
(Loss)/profit for the year	本年度(虧損)/溢利	(34,411)	(32,224)	34,775	32,208	42,418

REPORT OF THE DIRECTORS

董事會報告

SUMMARY FINANCIAL INFORMATION (continued)

財務資料概要(續)

		As at 31 March 於三月三十一日				
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2004 HK\$'000 千港元 (Restated) (重列)	2003 HK\$'000 千港元 (Restated) (重列)
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	65,178	63,082	68,591	80,386	66,867
Current assets	流動資產	55,670	93,275	137,099	112,822	86,623
Current liabilities	流動負債	(74,022)	(79,151)	(80,915)	(74,654)	(53,481)
Non-current liabilities	非流動負債	(1,030)	(3,702)	(8,964)	(2,298)	(9,418)
		45,796	73,504	115,811	116,256	90,591

Note: The results of the Group for the two years ended 31 March 2007 and its assets and liabilities as at 31 March 2006 and 2007 are those set out on pages 46 and 47 of the financial statements.

附註：本集團截至二零零七年三月三十一日止兩個年度之業績及其於二零零六年及二零零七年三月三十一日之資產與負債分別載於財務報表第46及第47頁。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註15。

SHARE CAPITAL, SHARE OPTION AND WARRANTS

Details of movements in the Company's share capital during the year and details of the Company's share option scheme and warrants are set out in notes 25 to 27 to the financial statements.

股本、購股權及認股權證

本公司年內之股本變動詳情及本公司購股權計劃及認股權證詳情載於財務報表附註25至27。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

優先購買權

本公司之公司組織章程細則或開曼群島(本公司註冊成立所處之司法權區)法例概無載有關於優先購買權之條文，而令本公司須按比例向現有股東發售新股份。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities during the year.

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司在年內概無購買、贖回或出售任何本公司之上市證券。

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 26 to the financial statements and in the consolidated statement of changes in equity, respectively.

儲備

本公司及本集團在年內之儲備變動詳情分別載於財務報表附註26及綜合權益變動表。

DISTRIBUTABLE RESERVES

At 31 March 2007, the Company did not have any reserves (2006: Nil), available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands, and no final dividend (2006: Nil) has been proposed out of such reserves for the year. In accordance with the Companies Law (2003 Revision) of the Cayman Islands, a company may make distributions to its members out of the contributed surplus accounts under certain circumstances. In addition, the Company's share premium account, in the amount of HK\$23,517,000 (2006: HK\$89,517,000) may be distributed in the form of fully paid bonus shares.

可供分派儲備

於二零零七年三月三十一日，本公司並無任何按照開曼群島公司法(二零零三年修訂版)計算之可供作現金分派及／或實物分派之儲備(二零零六年：無)，亦無獲建議自本年度之有關儲備中撥付末期股息(二零零六年：無)。根據開曼群島公司法(二零零三年修訂版)，本公司可在若干情況下以繳入盈餘賬內之款項向其股東作出分派。此外，本公司股份溢價賬內之23,517,000港元(二零零六年：89,517,000港元)亦可以繳足股款紅利股份之形式作出分派。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 24% (2006: 25%) of the Group's turnover for the year and turnover attributable to the largest customer included therein amounted to approximately 16% (2006: 16%). Purchases from the Group's five largest suppliers accounted for approximately 41% (2006: 53%) of the Group's cost of exhibitions for the year and the fees paid to the largest supplier accounted for approximately 18% (2006: 19%) of the Group's cost of exhibitions for the year.

None of the directors of the Company, or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Ip Ki Cheung (Chairman)
Mr. Cheung Shui Kwai (Managing Director)
Mr. Chan Siu Chung

Independent non-executive directors:

Mr. Chan Wing Yau, George
Mr. Lai Yang Chau, Eugene
Mr. Law Sung Ching, Gavin

In accordance with articles 87(1) and (2) of the Articles, Mr. Law Sung Ching, Gavin will retire from the Board at the forthcoming annual general meeting and, being eligible, offer himself for re-election. Mr. Lai Yang Chau, Eugene will retire from the Board at the forthcoming annual general meeting and not offer himself for re-election. The Company is currently looking for suitable candidate to fill in the vacancy upon the retirement of Mr. Lai Yang Chau, Eugene.

The Company has received confirmation from each of the INEDs about his independence pursuant of rule 3.13 of the Listing Rules. The Company is of the view that all INEDs meet the independent rules and continues to consider each of them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 23 to 25 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years commencing from 1 April 2002 and which will continue thereafter until the agreement is terminated by not less than six calendar months' notice in writing served by either party on the other. Such notice of termination is agreed not to be issued earlier than 31 March 2005. No notice of termination was received from the executive directors nor issued by the Company up to the date of this report.

All INEDs have no fixed terms of appointments. No service agreement has been or will be entered into between the Company and either of the INEDs.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

主要客戶及供應商

於回顧年度內，本集團向五大客戶取得之銷售額佔本集團年內之營業額約24%（二零零六年：25%），此數額包括向當中最大客戶取得之銷售額約16%（二零零六年：16%）。本集團向五大供應商之採購額佔本集團年內之展覽成本約41%（二零零六年：53%），而向最大供應商支付之費用則佔本集團年內之展覽成本約18%（二零零六年：19%）。

本公司董事、彼等之任何聯繫人士或任何股東（就董事所知，擁有本公司已發行股本5%以上者）概無於本集團之五大客戶或供應商中擁有任何實益權益。

董事

年內及截至本報告日期為止，本公司之董事如下：

執行董事：

葉紀章先生（主席）
張瑞貴先生（董事總經理）
陳兆忠先生

獨立非執行董事：

陳永祐先生
黎瀛洲先生
羅崇禎先生

根據細則第87(1)及(2)條之規定，羅崇禎先生將於應屆股東週年大會上卸任董事一職，惟彼符合資格並願意膺選連任。黎瀛洲先生將於應屆股東週年大會上卸任董事一職，惟彼不再尋求膺選連任。由於黎瀛洲先生即將卸任，本公司現正在物色合適候選人以填補職位空缺。

本公司已收到各位獨立非執行董事根據上市規則第3.13條作出有關其獨立之確認書。本公司認為所有獨立非執行董事均遵守獨立規則，並繼續認為彼等均為獨立人士。

董事及高級管理層之簡歷

本公司董事及本集團高級管理層之簡歷載於本年報第23至第25頁。

董事之服務合約

各執行董事均與本公司訂立服務合約，自二零零二年四月一日起初步為期三年，並於其後繼續生效，直至協議任何一方發出不少於六個公曆月之書面通知終止協議為止，有關終止通知不得於二零零五年三月三十一日前發出。截至本報告日期為止，並無收到執行董事或由本公司發出之終止通知。

所有獨立非執行董事均無固定任期。本公司概無亦將不會與獨立非執行董事訂立服務合約。

除上述者外，擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立本公司不得於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' REMUNERATION

Directors' remuneration, comprised payments to the directors of the Company and its subsidiaries in connection with the management of the affairs of the Group, is as follow:

董事酬金

董事酬金(包括就管理本集團業務而支付予本公司及其附屬公司各董事之款項)如下:

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Basic salaries 基本薪金 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Provident fund contributions 公積金供款 HK\$'000 千港元	Total 合計 HK\$'000 千港元
2007:						
Executive directors						
Mr. Ip Ki Cheung	—	1,556	840	256	12	2,664
Mr. Cheung Shui Kwai	—	1,556	840	256	12	2,664
Mr. Chan Siu Chung	—	1,556	840	256	12	2,664
Independent non-executive directors						
Mr. Chan Wing Yau, George	105	—	—	—	—	105
Mr. Lai Yang Chau, Eugene	105	—	—	—	—	105
Mr. Law Sung Ching, Gavin	105	—	—	—	—	105
	315	4,668	2,520	768	36	8,307
2006:						
Executive directors						
Mr. Ip Ki Cheung	—	1,488	840	2,300	12	4,640
Mr. Cheung Shui Kwai	—	1,488	840	1,380	12	3,720
Mr. Chan Siu Chung	—	1,488	840	920	12	3,260
Independent non-executive directors						
Mr. Chan Wing Yau, George	60	—	—	—	—	60
Mr. Lai Yang Chau, Eugene	60	—	—	—	—	60
Mr. Law Sung Ching, Gavin	60	—	—	—	—	60
	180	4,464	2,520	4,600	36	11,800

In accordance with the director's service agreement entered between the Company and each of the three executive directors on 18 March 2002, a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to shareholders of the Company (after tax but before extraordinary items and such bonus) in respect of every financial year of the Company shall be determined by the Board, but in any event, the aggregate amount payable each financial year shall not exceed 15 per cent of such profit and shall be payable within one calendar month after the audited consolidated accounts of the Group for such financial year have been approved by the Board.

根據本公司與三名執行董事各自於二零零二年三月十八日訂立之董事服務協議，董事會須釐定就每個財政年度按本公司股東應佔本集團經審核綜合溢利(除稅但未扣除非經常項目及有關花紅)之某個百分比計算之酌情花紅，惟無論如何，每個財政年度應付總額不得超過有關溢利之15%，並須於董事會已批准本集團於有關年度之經審核綜合賬目後一個曆月內支付。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無董事放棄或同意放棄任何酬金之安排。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either directly or indirectly, in any contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year. Save as disclosed in this report, none of the director has had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 March 2007, none of the directors had any beneficial interests (including interests or short positions) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to in that section, or will be required, pursuant to the Model Code in the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the shares of the Company

董事之合約權益

本公司、其控股公司或其任何附屬公司於年內概無訂立與董事直接或間接擁有重大實益權益而對本集團業務影響重大之任何合約。除本報告披露者外，年內各董事概無直接或間接擁有本集團任何成員公司購入、出售或租賃或擬購入、出售或租賃之任何資產之任何權益。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

除下文披露者外，於二零零七年三月三十一日，概無董事於本公司或其任何附屬公司（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部份第7及8分部須知會本公司及聯交所（包括根據證券及期貨條例之有關條文被當作或被視為擁有之權益及淡倉）或根據證券及期貨條例第352條須記錄於該條例所述之登記冊或須根據標準守則知會本公司及聯交所之任何實益權益（包括權益或淡倉）。

於本公司股份之好倉

Name of directors	董事姓名	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage holding of shares 持股量概約百分比
Mr. Ip Ki Cheung (a)	葉紀章先生 (a)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%
Mr. Cheung Shui Kwai (b)	張瑞貴先生 (b)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Mr. Chan Siu Chung (c)	陳兆忠先生 (c)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%

Notes:

- (a) Mr. Ip Ki Cheung is beneficially interested in 50% of the entire issued share capital of Capital Concord Profits Limited ("Capital Concord") which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007. Accordingly, Mr. Ip Ki Cheung is deemed to be interested in these 118,000,000 shares under the SFO.
- (b) Mr. Cheung Shui Kwai is beneficially interested in 30% of the entire issued share capital of Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007. The interest in 35,400,000 shares represents the proportionate attributable interest through Capital Concord's shareholding in the Company.
- (c) Mr. Chan Siu Chung is beneficially interested in 20% of the entire issued share capital of Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007. The interest in 23,600,000 shares represents the proportionate attributable interest through Capital Concord's shareholding in the Company.

附註：

- (a) 於二零零七年三月三十一日，葉紀章先生實益擁有Capital Concord Profits Limited（「Capital Concord」）全部已發行股本之50%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。因此，根據證券及期貨條例，葉紀章先生被視為擁有該118,000,000股股份之權益。
- (b) 於二零零七年三月三十一日，張瑞貴先生實益擁有Capital Concord全部已發行股本之30%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。所持有之35,400,000股股份乃透過Capital Concord於本公司之股權按比例計算之應佔權益。
- (c) 於二零零七年三月三十一日，陳兆忠先生實益擁有Capital Concord全部已發行股本之20%權益，而該公司則持有本公司118,000,000股股份，佔本公司全部已發行股本之50.12%。所持有之23,600,000股股份乃透過Capital Concord於本公司之股權按比例計算之應佔權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme as set out in note 27 to the financial statements, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 27 to the financial statements.

No option had been granted nor agreed to be granted under the share option scheme during the year and the Company had no options outstanding as at 31 March 2007 and up to the date of approval of this report.

SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSABLE UNDER THE SFO

As at 31 March 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the shares of the Company

董事購入股份或債券之權利

除於財務報表附註27所載購股權計劃內所披露者外，本公司、其控股公司或其任何附屬公司在年內概無訂立任何安排，致使本公司董事、彼等各自之配偶或18歲以下之子女可藉購入本公司或任何其他法人團體之股份或債券而得益。

購股權計劃

本公司購股權計劃之詳情載於財務報表附註27。

年內，本公司並無根據購股權計劃授出或同意將予授出任何購股權，及於二零零七年三月三十一日及截至本報告之批准日期為止亦無任何未行使之購股權。

主要股東與根據證券及期貨條例須予披露之權益

於二零零七年三月三十一日，本公司已發行股本5%或以上之下列權益乃載於本公司根據證券及期貨條例第336條須存置之權益登記冊內：

於本公司股份之好倉

Name	名稱	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage of existing issued ordinary share capital of the Company 本公司現有已發行普通股股本中之持股量概約百分比
Capital Concord (1)	Capital Concord (1)	118,000,000	Beneficial owner 實益擁有人	50.12%
Best Aims Finance Limited ("Best Aims") (1, 2 and 5)	Best Aims Finance Limited (「Best Aims」) (1, 2及5)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%
Harbour Rich Finance Limited ("Harbour Rich") (1, 3 and 6)	Harbour Rich Finance Limited (「Harbour Rich」) (1, 3及6)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Pace Maker Finance Limited ("Pace Maker") (1, 4 and 7)	Pace Maker Finance Limited (「Pace Maker」) (1, 4及7)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%
Mr. Ip Ki Cheung (1, 2, 5 and 8)	葉紀章先生 (1, 2, 5及8)	118,000,000	Interest of a controlled corporation 擁有受控制公司之權益	50.12%

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSABLE UNDER THE SFO (continued)

Long positions in the shares of the Company (continued)

主要股東與根據證券及期貨條例須予披露之權益 (續)

於本公司股份之好倉 (續)

Name	名稱	Number of shares interested 持有權益之股份數目	Capacity 身份	Approximate percentage of existing issued ordinary share capital of the Company 本公司現有已發行普通股股本中之持量概約百分比
Mr. Cheung Shui Kwai (1, 3, 6 and 9)	張瑞貴先生 (1、3、6及9)	35,400,000	Interest of a controlled corporation 擁有受控制公司之權益	15.03%
Mr. Chan Siu Chung (1, 4, 7 and 10)	陳兆忠先生 (1、4、7及10)	23,600,000	Interest of a controlled corporation 擁有受控制公司之權益	10.02%

Notes:

附註：

- The entire issued share capital of Capital Concord is beneficially owned as to 50% by Best Aims, 30% by Harbour Rich and 20% by Pace Maker.
- The entire issued share capital of Best Aims is beneficially owned by Mr. Ip Ki Cheung.
- The entire issued share capital of Harbour Rich is beneficially owned by Mr. Cheung Shui Kwai.
- The entire issued share capital of Pace Maker is beneficially owned by Mr. Chan Siu Chung.
- These shares are attributable to Best Aims in respect of its 50% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007. Best Aims is deemed to be interested in these 118,000,000 shares under the SFO.
- These shares are attributable to Harbour Rich in respect of its 30% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007.
- These shares are attributable to Pace Maker in respect of its 20% interest in Capital Concord, which in turn holds 118,000,000 shares representing 50.12% of the entire issued shares of the Company as at 31 March 2007.
- These shares are attributable to Mr. Ip Ki Cheung in respect of his 100% interest in Best Aims. Accordingly, Mr. Ip Ki Cheung is deemed to be interested in the 118,000,000 shares (in which Best Aims is deemed to be interested) under the SFO.
- These shares are attributable to Mr. Cheung Shui Kwai in respect of his 100% interest in Harbour Rich.
- These shares are attributable to Mr. Chan Siu Chung in respect of his 100% interest in Pace Maker.
- Capital Concord之全部已發行股本中，Best Aims實益擁有50%、Harbour Rich實益擁有30%及Pace Maker實益擁有20%。
- Best Aims之全部已發行股本乃由葉紀章先生實益擁有。
- Harbour Rich之全部已發行股本乃由張瑞貴先生實益擁有。
- Pace Maker之全部已發行股本乃由陳兆忠先生實益擁有。
- 該等股份乃屬於Best Aims所有，此乃由於在二零零七年三月三十一日，Best Aims擁有Capital Concord之50%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。根據證券及期貨條例，Best Aims被視為持有該118,000,000股股份之權益。
- 該等股份乃屬於Harbour Rich所有，此乃由於在二零零七年三月三十一日，Harbour Rich擁有Capital Concord之30%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。
- 該等股份乃屬於Pace Maker所有，此乃由於在二零零七年三月三十一日，Pace Maker擁有Capital Concord之20%權益，而該公司擁有本公司118,000,000股股份，佔本公司全部已發行股份之50.12%。
- 該等股份乃屬於葉紀章先生所有，此乃由於葉紀章先生擁有Best Aims之100%權益。因此，根據證券及期貨條例，葉紀章先生被視為持有118,000,000股股份(Best Aims被視為持有該等股份之權益)之權益。
- 該等股份乃屬於張瑞貴先生所有，此乃由於張瑞貴先生擁有Harbour Rich之100%權益。
- 該等股份乃屬於陳兆忠先生所有，此乃由於陳兆忠先生擁有Pace Maker之100%權益。

REPORT OF THE DIRECTORS

董事會報告

COMPLIANCE WITH CG CODE

The Company is committed to ensuring high standards of corporate governance through the establishment and adoption of good practices and procedures which are in the best interests of the Company and its shareholders. The Company has applied the principles and complied with all code provisions of the CG Code throughout the Period, except for code provisions A.4.1 and A.4.2 details of which are set out in the Corporate Governance Report on pages 26 to 34 of this annual report.

COMPLIANCE WITH MODEL CODE

Details of compliance with the Model Code by directors of the Company is set out in the Corporate Governance Report on page 29 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDIT COMMITTEE

Details of the composition of the Company's Audit Committee and the major work performed by the Committee during the Period is set out in the Corporate Governance Report on pages 30 to 31 of this annual report.

AUDITORS

HLB Hodgson Impey Cheng ("HLB") were appointed as auditors of the Company on 26 July 2004 to fill the vacancy created by the resignation of Charles Chan, Ip & Fung CPA Ltd. on 8 July 2004, which were appointed as auditors of the Company on 17 May 2004 to fill the vacancy created by the resignation of Ernst & Young on 21 April 2004.

The financial statements have been audited by HLB who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB as auditors of the Company is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Ip Ki Cheung

Chairman

Hong Kong
25 July 2007

遵守企業管治守則

本公司承諾透過建立及採納符合本公司及其股東最佳利益之良好常規及程序，以確保高水準之企業管治。本公司已於整個該期間內採用該等原則並遵守企業管治守則之所有守則條文，惟守則條文第A.4.1及A.4.2條除外，其詳情載於本年報第26頁至第34頁之企業管治報告內。

遵守標準守則

本公司董事遵守標準守則之詳情載於本年報第29頁之企業管治報告內。

足夠公眾持股量

於本報告日期，根據本公司已公開可用之資料及就本公司董事所知，本公司已維持足夠公眾持股量。

審核委員會

本公司審核委員會之組成及該委員會所履行之主要工作之詳情載於本年報第30頁至第31頁之企業管治報告內。

核數師

國衛會計師事務所（「國衛」）於二零零四年七月二十六日獲委任為本公司之核數師，以填補因陳葉馮會計師事務所有限公司於二零零四年七月八日辭任而產生之空缺。陳葉馮會計師事務所有限公司於二零零四年五月十七日獲委任為本公司之核數師，以填補因安永會計師事務所於二零零四年四月二十一日辭任而產生之空缺。

財務報表已經國衛所審核，國衛即將告退，惟彼符合資格並願膺選連任。就重新委任國衛為本公司核數師之決議案將於即將召開之股東週年大會上提呈。

代表董事會

葉紀章

主席

香港
二零零七年七月二十五日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告書



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF KENFAIR INTERNATIONAL (HOLDINGS) LIMITED *(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Kenfair International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 99, which comprise the consolidated and company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.



國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

致：建發國際(控股)有限公司 *(於開曼群島註冊成立之有限公司)* 各股東

本核數師(以下簡稱「我們」)已審核刊於第46頁至第99頁建發國際(控股)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零零七年三月三十一日之綜合及公司資產負債表、截至該日止年度之綜合損益賬、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他說明附註。

董事編製財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製並真實兼公平地呈列此等綜合財務報表。此責任包括設計、實行及維持與編製並真實兼公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇並應用適當會計政策；及在不同情況下作出合理之會計估算。

核數師之責任

我們之責任是根據審核之結果對此等綜合財務報表作出意見，並僅向閣下匯報我們之意見，除此之外，別無其他用途。我們不會就本報告之內容向任何其他人士負責或承擔責任。我們之審核工作是按照香港會計師公會頒佈之香港審計準則進行。該等準則要求我們遵守操守規定以及計劃及進行審核以合理之確定此等財務報表是否不存在重大之錯誤陳述。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告書

AUDITORS' RESPONSIBILITY (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 25 July 2007

核數師之責任(續)

審核範圍包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選取之該等程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實兼公平地呈列財務資料有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作之會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

我們相信，我們所取得之審核憑證就提出審核意見而言屬充分恰當。

意見

我們認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴公司及 貴集團於二零零七年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並按照香港公司條例之披露規定妥為編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零零七年七月二十五日

CONSOLIDATED INCOME STATEMENT

綜合損益賬

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額	6	236,319	261,650
Other revenue	其他收益	6	3,097	1,112
Other income	其他收入	7	290	1,503
Fair value losses on financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產 之公平值虧損		-	(15,126)
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之 財務資產之虧損		(8,500)	-
Advertising and promotion expenses	廣告及推廣開支		(39,532)	(44,716)
Agency commission	代理佣金		(15,948)	(15,473)
Amortisation and depreciation	攤銷及折舊		(8,467)	(8,234)
Hotel and travel package expenses	酒店及旅遊套票開支		(12,122)	(14,537)
Impairment loss recognised in respect of intangible assets	已確認無形資產之減值虧損		(7,425)	-
Operating lease rentals	經營租賃租金		(49,336)	(39,026)
Staff costs	員工成本		(50,693)	(55,087)
Other operating expenses	其他營運開支		(77,671)	(100,749)
Loss from operating activities	經營業務虧損	7	(29,988)	(28,683)
Finance costs	融資成本	8	-	(67)
Loss before tax	除稅前虧損		(29,988)	(28,750)
Taxation	稅項	11	(4,423)	(3,474)
Loss for the year	本年度虧損		(34,411)	(32,224)
Attributable to	歸屬於			
- Minority interests	- 少數股東		-	967
- Equity holders of the Company	- 本公司股東		(34,411)	(33,191)
			(34,411)	(32,224)
Dividends	股息			
Interim dividend	中期股息	13	11,773	11,773
Loss per share attributable to equity holders of the Company	本公司股東應佔每股虧損			
- Basic and diluted	- 基本及攤薄	14	15 cents 仙	15 cents 仙

All of the Group's operations are classed as continuing.

本集團所有經營業務均分類為持續經營業務。

The accompanying notes form an integral part of these financial statements.

隨附之附註屬本財務報表整體之一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 March 2007 二零零七年三月三十一日

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	4,399	5,410
Prepaid land premium	預付土地費用	16	355	364
Intangible assets	無形資產	18	24,000	37,521
Goodwill	商譽	19	920	920
Available-for-sale financial assets	可供銷售財務資產	20	34,690	18,867
Prepayments for acquisition of a subsidiary	收購一間附屬公司之預付款項	21	814	–
			65,178	63,082
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		14,713	9,902
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產	22	–	15,962
Cash and cash equivalents	現金及現金等值項目	23	37,237	60,465
Pledged bank deposits	已抵押銀行存款	24	3,175	2,866
Tax prepayment	預付稅項		545	4,080
			55,670	93,275
Less: Current liabilities	減：流動負債			
Tax payable	應付稅項		7,118	4,240
Deferred revenue	遞延收益		4,035	4,392
Deposits received in advance	預收按金		55,961	63,504
Other payables and accrued liabilities	其他應付款項及累計負債		6,908	7,015
			74,022	79,151
Net current (liabilities)/assets	流動(負債)/資產淨值		(18,352)	14,124
Total assets less current liabilities	資產總值減流動負債		46,826	77,206
Less: Non-current liabilities	減：非流動負債			
Deposits received in advance	預收按金		1,030	3,702
Net assets	資產淨值		45,796	73,504
Equity	權益			
Issued share capital	已發行股本	25	2,355	2,355
Reserves	儲備		43,441	71,149
Total equity attributable to equity holders of the Company	本公司股東應佔權益總額		45,796	73,504

The Consolidated financial statements on pages 46 to 99 were approved and authorised for issue by the Board of Directors on 25 July 2007 and are signed on its behalf by:

第46至99頁之綜合財務報表已於二零零七年七月二十五日獲董事會批准及授權刊發，並由下列人士代表簽署：

Ip Ki Cheung
葉紀章
Director
董事

Cheung Shui Kwai
張瑞貴
Director
董事

The accompanying notes form an integral part of these financial statements. 隨附之附註屬本財務報表整體之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		Equity attributable to equity holders of the Company 本公司股東應佔權益						
	Notes 附註	Share capital	Share premium account	Other reserves (Note 26(a))	Retained profits/ (Accumulated losses)	Proposed final dividend	Total	Minority interests
		股本	股份溢價賬	其他儲備 (附註26(a))	保留溢利/ (累計虧損)	擬派 末期股息	合計	少數股東 權益
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	2,159	64,902	21,569	7,093	17,273	112,996	1,388
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之 公平值收益	-	-	127	-	-	127	-
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	未於損益賬確認之換算海外 附屬公司之匯兌差額	-	-	163	-	-	163	-
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	290	-	-	290	-
Net loss for the year	本年度虧損	-	-	-	(33,191)	-	(33,191)	967
Total recognised income and expense for the year	本年度經確認之收入及 開支總額	-	-	290	(33,191)	-	(32,901)	967
Issue of shares from exercise of warrants	因行使認股權證而發行股份	196	24,615	(11,331)	-	-	13,480	-
Payment of 2005 final dividend	派付二零零五年末期股息	-	-	-	-	(17,273)	(17,273)	-
2006 interim dividend	二零零六年中期股息	-	-	-	(11,773)	-	(11,773)	-
Warrant reserve transferred to retained profits upon expiry of warrants	認股權證到期時認股權證 儲備撥入保留溢利	-	-	(11,665)	11,665	-	-	-
Fair value adjustments arising from consolidation of a wholly-owned subsidiary	綜合一間全資附屬公司賬目 產生之公平值調整	-	-	8,975	-	-	8,975	(2,355)
At 31 March 2006	於二零零六年三月三十一日	2,355	89,517	7,838	(26,206)	-	73,504	-
At 1 April 2006, as per above	同上於二零零六年四月一日	2,355	89,517	7,838	(26,206)	-	73,504	-
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	未於損益賬確認之換算海外 附屬公司之匯兌差額	-	-	(163)	-	-	(163)	-
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之公平值 收益	-	-	18,639	-	-	18,639	-
Net income and expense recognised directly in equity	直接於權益確認之 收入淨額及開支	-	-	18,476	-	-	18,476	-
Net loss for the year	本年度虧損淨額	-	-	-	(34,411)	-	(34,411)	-
Total recognised income and expense for the year	本年度經確認之收入及開支 總額	-	-	18,476	(34,411)	-	(15,935)	-
Share premium transferred to accumulated losses	股份溢價撥入累積虧損	-	(66,000)	-	66,000	-	-	-
2007 interim dividend	二零零七年中期股息	-	-	-	(11,773)	-	(11,773)	-
At 31 March 2007	於二零零七年三月三十一日	2,355	23,517	26,314	(6,390)	-	45,796	-

The accompanying notes form an integral part of these financial statements. 隨附之附註屬本財務報表整體之一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

	Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量		
Loss before tax	除稅前虧損	(29,988)	(28,750)
Adjustment for:	作出以下調整：		
Finance costs	融資成本	-	67
Interest income	利息收入	(1,675)	(1,112)
Amortisation of intangible assets	無形資產攤銷	6,096	4,549
Amortisation of development costs for shows and exhibitions	展覽會發展成本攤銷	-	1,105
Amortisation of prepaid land premium	預付土地費用之攤銷	9	9
Development costs expensed for shows and exhibitions held during the year	年內舉行之展覽會之發展成本 列作開支	-	10,460
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,362	2,571
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(44)
Net exchange gains	匯兌收益淨額	(326)	-
Fair value losses in respect of financial assets at fair value through profit or loss	按公平值計入損益賬之財務 資產之公平值虧損	-	15,126
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之 財務資產之虧損	8,500	-
Impairment loss recognised in respect of the intangible assets	已確認無形資產之減值虧損	7,425	-
Impairment of interest in an option to acquire an equity interest of a company	購入一間公司股權之購股權 之權益減值	2,358	3,604
Operating (loss)/profit before working capital changes	經營(虧損)/溢利，未計營運資金 變動	(5,239)	7,585
Decrease in available-for-sale financial assets	可供出售財務資產減少	600	-
Increase in prepayments for acquisition of a subsidiary	收購一間附屬公司之預付款項 增加	(814)	-
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收 款項(增加)/減少	(4,811)	22,033
(Decrease)/increase in deferred revenue	遞延收入(減少)/增加	(357)	552
Decrease in deposits received in advance	預收按金減少	(10,215)	(10,670)
(Decrease)/increase in other payables and accrued liabilities	其他應付款及累計負債 (減少)/增加	(107)	4,763
Cash (used in)/generated from operations	經營業務(已用)/產生之現金	(20,943)	24,263
Interest received	已收利息	1,675	1,112
Hong Kong profits tax refund/(paid)	退還/(已付)香港利得稅	1,820	(6,730)
Overseas tax refund/(paid)	退還/(已付)海外稅項	169	(196)
Net cash (outflow)/inflow from operating activities	經營業務之現金(流出)/流入淨額	(17,279)	18,449

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,328)	(312)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	178
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之財務資產所得款項	7,461	-
Increase in pledged bank deposits	已抵押銀行存款增加	(309)	(214)
Net cash inflow/(outflow) from investing activities	投資活動之現金流入／(流出)淨額	5,824	(348)
Cash flows from financing activities	融資活動之現金流量		
Issue of shares from exercise of warrants	因行使認股權證而發行股份	-	13,480
Repayment of bank loans	償還銀行貸款	-	(2,299)
Interest paid	已付利息	-	(67)
Dividends paid	已付股息	(11,773)	(29,046)
Net cash outflow from financing activities	融資活動之現金流出淨額	(11,773)	(17,932)
(Decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)／增加	(23,228)	169
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	60,465	60,296
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	37,237	60,465
Analysis of balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	37,237	60,465

The accompanying notes form an integral part of these financial statements. 隨附之附註屬本財務報表整體之一部份。

BALANCE SHEET

資產負債表

At 31 March 2007 二零零七年三月三十一日

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益	17	2,735	50,635
Available-for-sale financial assets	可供銷售財務資產	20	30,100	13,892
			32,835	64,527
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		130	130
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產	22	-	9,426
Cash and cash equivalents	現金及現金等值項目	23	25	25
			155	9,581
Less: Current liabilities	減：流動負債			
Other payables and accruals	其他應付款項及累計負債		222	215
Net current (liabilities)/assets	流動(負債淨額)/資產淨值		(67)	9,366
Net assets	資產淨值		32,768	73,893
Equity:	權益：			
Issued share capital	已發行股本	25	2,355	2,355
Reserves	儲備	26(b)	30,413	71,538
Total equity attributable to equity holders of the Company	本公司股東應佔權益總額		32,768	73,893

Approved by the Board of Directors on 25 July 2007 and signed on its behalf by:

於二零零七年七月二十五日獲董事會批准並由下列人士代表簽署：

Ip Ki Cheung
葉紀章
Director
董事

Cheung Shui Kwai
張瑞貴
Director
董事

The accompanying notes form an integral part of these financial statements. 隨附之附註屬本財務報表整體之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 28/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Group was involved in the organisation of exhibitions and trade shows and providing ancillary services.

In the opinion of the directors, the ultimate holding company is Capital Concord Profits Limited ("Capital Concord"), which was incorporated in the British Virgin Islands.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in Note 3 to the financial statements.

1. 公司資料

本公司為於開曼群島註冊成立之有限公司。本公司之註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司主要營業地點在香港九龍尖沙咀廣東道9號海港城威威大廈第6座28樓。

年內，本集團之業務為舉辦展覽會及貿易展覽會以及提供相關之補充服務。

董事認為，最終控股公司為Capital Concord Profits Limited (「Capital Concord」)，其於英屬處女群島註冊成立。

2. 重大會計政策概要

此等財務報表已按照香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)(其亦包括香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定以及香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定而編製。此等財務報表以港元呈列，而除另有指明外，所有數值均約整至千位(千港元)。

編製符合香港財務報告準則之財務報表，需要管理層作出可影響政策應用及所呈報之資產、負債、收入及支出數額之判斷、估計及假設。該等估計及相關假設乃根據歷史經驗及於有關情況下認為屬合理之各種其他因素而作出，其結果構成管理層在無法依循其他途徑即時得知資產及負債之賬面值時所作出判斷之基礎。實際結果可能與該等估計不同。管理層會不斷審閱各項估計及假設。倘會計估計之修訂只是影響某一期間，其影響便會於該期間內確認；倘修訂對當前及未來期間均有影響，則於作出修訂之期間及未來期間確認。

有關管理層在應用香港財務報告準則時所作出對本財務報表有重大影響之判斷，以及作出極可能在下年度構成重大調整風險之估計之討論，載列於財務報表附註3。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. The adoption of these new and revised standards and interpretations has had no material impact on these financial statements.

HKAS 19 Amendment	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HK(IFRIC) – Int 4	Determining whether an Arrangement contain a Lease
HK(IFRIC) – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HKFRS 6	Exploration for and Evaluation of Mineral Resources

2. 重大會計政策概要(續)

新增及經修訂香港財務報告準則之影響

本集團已就本年度之財務報表而首次採納以下新增及經修訂香港財務報告準則。採納此等新增及經修訂準則及詮釋並無對此等財務報表構成重大影響。

香港會計準則第19號(修訂)	精算損益、集團計劃與披露
香港會計準則第21號(修訂)	海外經營業務之投資淨額
香港會計準則第39號(修訂)	預測集團內公司間交易之現金流量對沖會計法
香港會計準則第39號(修訂)	公平值選擇
香港會計準則第39號及香港財務報告準則第4號(修訂)	財務擔保合約
香港(國際財務報告詮釋委員會) – 詮釋第4號	釐定安排是否包含租賃
香港(國際財務報告詮釋委員會) – 詮釋第5號	解除運作、復原及環境修復基金產生權益之權利
香港(國際財務報告詮釋委員會) – 詮釋第6號	參與特定市場 – 廢棄電力及電子設備產生之負債
香港(國際財務報告詮釋委員會) – 詮釋第7號	根據香港會計準則第29號惡性通脹經濟之財務報告應用重列法
香港財務報告準則第6號	勘探及評估礦產資源

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of new and revised HKFRSs not yet effective

The Group has not early adopted the following standards or interpretations that have been issued but are not effective.

	Effective for accounting period beginning on or after
HKAS 1 (Amendment) Capital Disclosures	1 January 2007
HKFRS 7, Financial Instruments: Disclosures	1 January 2007
HKFRS 8, Operating Segments	1 January 2009
HK(IFRIC) – Int 8, Scope of HKFRS 2	1 May 2006
HK(IFRIC) – Int 9, Reassessment of Embedded Derivatives	1 June 2006
HK(IFRIC) – Int 10, Interim Financial Reporting and Impairment	1 November 2006
HK(IFRIC) – Int 11, HKFRS 2 – Group and Treasury Share Transactions	1 March 2007
HK(IFRIC) – Int 12, Service Concession Arrangements	1 January 2008

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosure about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual period beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosures requirements of HKAS 32.

The management is in the process of making an assessment of the impact of these new standards, amendments and interpretations to existing standards. The directors of the Company so far has concluded that the application of these new standards, amendments or interpretations will have no material impact of the results and the financial position of the Group.

2. 重大會計政策概要(續)

尚未生效之新增及經修訂香港財務報告準則之影響

本集團並無提早採納以下已頒佈惟尚未生效之準則或詮釋：

	於下列日期 或之後 開始之 會計期間生效
香港會計準則第1號(修訂)「資本披露」	二零零七年一月一日
香港財務報告準則第7號「財務工具：披露」	二零零七年一月一日
香港財務報告準則第8號「經營分部」	二零零九年一月一日
香港(國際財務報告詮釋委員會) – 詮釋第8號 「香港財務報告準則第2號之範圍」	二零零六年五月一日
香港(國際財務報告詮釋委員會) – 詮釋第9號「重估內嵌式衍生工具」	二零零六年六月一日
香港(國際財務報告詮釋委員會) – 詮釋第10號「中期財務報告及減值」	二零零六年十一月一日
香港(國際財務報告詮釋委員會) – 詮釋第11號「香港財務報告準則第2號 – 集團及庫務股份交易」	二零零七年三月一日
香港(國際財務報告詮釋委員會) – 詮釋第12號「服務優惠安排」	二零零八年一月一日

香港會計準則第1號(修訂)應於二零零七年一月一日或之後開始之年度期間應用。經修訂準則將影響披露有關本集團管理資本之目標、政策及程序之定性資料；有關視作資本之公司定量數據；及遵守任何資本規定及任何未有遵守之後果。

香港財務報告準則第7號應於二零零七年一月一日或之後開始之年度期間應用。該項準則需要能夠讓財務報表之使用者評估本集團財務工具之重要性及該等財務工具所產生之風險程度之披露事項，亦會編入多項香港會計準則第32號之披露規定。

管理層正在評估該等新準則、修訂及對現有準則之詮釋之影響。本公司董事迄今所得出之結論是，應用該等新準則、修訂或詮釋將不會對本集團之業務及財務狀況產生任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A summary of the significant accounting policies followed by the Group in the preparation of the financial statements is set out below:

(a) Basis of preparation

The measurement basis used in the preparation of the financial statements is historical cost except for available-for-sale financial assets and financial assets at fair value through profit or loss which are carried at fair value.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately HK\$18,352,000 at 31 March 2007. The directors of the Company have been taking steps to improve the liquidity of the Group. As set out in note 33 to the financial statements, subsequent to the balance sheet date, the Group entered into a sale and purchase agreement to dispose a property for a consideration of HK\$8,986,250 on 25 April 2007. The Company has also carried out an open offer of 117,726,000 new shares of HK\$0.10 each for an aggregate consideration, net of expenses, of approximately HK\$10,180,000. In addition, Capital Concord, a substantial shareholder of the Company has agreed to provide continuing financial support to the Group. As such, the directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2007. The results of the subsidiaries acquired or disposed of during the year are consolidated from their effective dates of acquisition or disposal, respectively.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

2. 重大會計政策概要(續)

下文列載本集團於編制財務報表時採用之重大會計政策概要：

(a) 編製基準

本財務報表乃以歷史成本法作為編製基準，惟可供銷售財務資產及按公平值計入損益賬之財務資產除外。

於編製綜合財務報表時，本公司董事已因應本集團於二零零七年三月三十一日之流動負債淨額約18,352,000港元而審慎考慮本集團之未來流動資金。本公司董事已採取措施，力求改善本集團之流動資金。如財務報表附註33所載，於結算日後，本集團於二零零七年四月二十五日訂立買賣協議，以出售物業，代價為8,986,250港元。本公司亦以總代價(扣除費用)約10,180,000港元公開發售117,726,000股每股面值0.10港元之新股份。此外，本公司主要股東Capital Concord已同意向本集團提供持續財務支援。因此，董事相信，本集團將能夠於可見將來悉數應付其到期之財務責任。因此，本財務報表乃按持續經營基準編製。

(b) 綜合賬目之基準

綜合財務報表包括本公司及其附屬公司截至二零零七年三月三十一日止之財務報表。在本年度內購入或出售之附屬公司之業績分別按實際購入或出售日期起計綜合入賬。

本集團所收購之附屬公司乃使用會計處理之購買法入賬。收購成本乃按於交易日期所指定資產、所發行權益工具及所產生或承擔之負債之公平值加收購直接應佔成本計量。不論任何少數股東權益之程度，於業務合併中所收購之可識別資產與承擔之負債及或然負債乃初步按彼等於收購日期之公平值計量。收購成本超出本集團分佔所收購可識別資產淨值之公平值部分乃記錄作商譽。倘收購成本少於所收購附屬公司之資產淨值之公平值，則差額乃直接於損益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

When the business combination involves more than one exchange transaction, the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date of each transaction are compared to those carrying value relating to previously held interest of the Group. Any adjustment shall be accounted for as a revaluation arising on initial recognition of business combination.

Intra-group transactions and balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company control another entity.

In the Company's financial statements, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Participation fee income is derived from the letting of exhibition booths and the provision of decoration facilities for the exhibition booths, and is recognised when the decoration facilities are provided and when the shows are held;
- (ii) Entrance fee income is recognised on a cash receipt basis;
- (iii) Revenue from hotel and travel package services provided is recognised when the services are rendered;

2. 重大會計政策概要(續)

(b) 綜合賬目之基準(續)

當業務合併涉及一項以上交易時，被收購方之可識別資產、負債及或然負債於各項交易之收購日期之公平值乃與有關先前所持有本集團權益之賬面值比較。任何調整須入賬列作於初步確認業務合併時產生之估值。

集團內公司間的交易及結餘以及集團公司之間交易之未變現收益均在綜合賬目時對銷。除非有關交易可提供證據證明所交易之資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已作出調整(如必要)，以確保與本集團所採納之政策一致。

(c) 附屬公司

附屬公司乃由本公司控制之企業。當本公司有權力直接或間接監管一間企業之財務及經營政策，藉此自其業務中獲得利益時，則存在控制權。在評估本集團是否控制另一實體時，將考慮目前可行使或可轉換的潛在投票權是否存在及其影響。

於本公司之財務報表內，於附屬公司之投資乃按成本值減去減值虧損準備列賬。附屬公司之業績由本公司根據已收及應收股息入賬。

(d) 收益確認

收益乃於本集團可取得經濟利益，而收益亦得到可靠計算時，按以下基準確認：

- (i) 參展費收入來自出租展覽攤位及所提供之攤位額外佈置設施，此項收入於正式提供佈置設施及展覽正式進行時確認入賬；
- (ii) 入場費收入按所收現金確認入賬；
- (iii) 來自酒店及旅遊套票服務之收益於提供服務時確認入賬；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition (continued)

- (iv) Advertising fee income earned from the publication of trade show and exhibition booklets is recognised when the trade show and exhibition booklets are published;
- (v) Internet advertising revenue and portal income is recognised ratably in the period in which the advertisement and information is displayed on the website of the Group; and
- (vi) Interest income is recognised as it accrues using the effective interest method.

(e) Property, plant and equipment

Building held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and all other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Leasehold improvements	Over the lease terms
Furniture and equipment	20%
Fixtures and fittings	33 $\frac{1}{3}$ %
Computer equipment	25%
Motor vehicles	33 $\frac{1}{3}$ %

The residual values and useful lives of items of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

2. 重大會計政策概要(續)

(d) 收益確認(續)

- (iv) 廣告費收入來自為貿易展及展覽會出版場刊，於貿易展及展覽會場刊出版時確認入賬；
- (v) 網上廣告收益及入門網站收入乃按廣告刊登期間之播放比例及資訊在本集團網址登載期間之顯示比例確認入賬；及
- (vi) 利息收入按實際利率法確認入賬。

(e) 物業、廠房及設備

於租賃土地上持作自用之樓宇，而該樓宇之公平值可與租賃開始時租賃土地之公平值分開計算，且所有其他物業、廠房及設備項目均以成本值減累計折舊及減值虧損列賬。

折舊乃按其估計可使用年期以直線法撇銷物業、廠房及設備項目之成本值減其估計剩餘價值(如有)計算。就此而言乃按以下主要年率計算：

樓宇	5%
租賃物業裝修	按租約年期攤分
傢俬及設備	20%
裝置及配件	33 $\frac{1}{3}$ %
電腦設備	25%
汽車	33 $\frac{1}{3}$ %

物業、廠房及設備項目之剩餘價值及使用年期於每個結算日檢討並於適當時作出調整。

出售或報廢物業、廠房及設備項目產生之收益或虧損乃出售有關資產所得款項淨額及其賬面值之差額，並於損益賬內確認。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment is determined by assessing the recovering amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

(g) Intangible assets

(i) License rights

Purchased license rights are stated at cost less any impairment losses and are amortised on a straight-line basis over their estimated useful lives.

(ii) e-Commerce platform

Acquisition costs of purchasing an e-Commerce platform are stated at cost less any impairment losses and are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

2. 重大會計政策概要(續)

(f) 商譽

收購附屬公司所產生之商譽指業務合併之成本超出本集團所收購被收購方之可識別資產，以及於收購日期所承擔之負債及或然負債之公平值淨額之權益部份。收購附屬公司之商譽乃包括在無形資產內。商譽乃每年作減值測試，並按成本值減累計減值虧損列賬。於出售實體之損益包括有關所出售實體之商譽之賬面值。

就減值測試而言，商譽乃分配至現金產生單位。減值乃透過評估與商譽有關之現金產生單位(現金產生單位組合)之可回收金額釐定。倘現金產生單位(現金產生單位組合)之可回收金額少於其賬面值，減值虧損乃予以確認。

倘商譽構成現金產生單位(現金產生單位組合)之一部份及於其內出售該單位之經營業務之一部份，則當釐定出售經營業務產生之收益或虧損時，與出售該經營業務相關之商譽乃包括在經營業務之賬面值內。於此情況下出售之商譽乃作為保留現金產生單位之部份按所出售經營業務之有關價值計量。

確認為商譽之減值虧損於其後期間內將不予撥回。

(g) 無形資產

(i) 特許權

購買之特許權均按成本值減任何減值虧損列賬，並以直線法按其估計可使用年期攤銷。

(ii) 電子商貿平台

購買電子商貿平台之購入成本按成本值減任何減值虧損列賬，並以直線法按其估計可使用年期攤銷。

年期有限之無形資產於可使用年內攤銷，並評估是否有跡象顯示無形資產可能出現減值。年期有限之無形資產之攤銷年期及攤銷方法至少於每個結算日檢討。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivatives when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, this is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on investments held for trading are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2. 重大會計政策概要(續)

(h) 投資及其他財務資產

香港會計準則第39號所界定之財務資產可分為按公平值計入損益賬之財務資產、貸款及應收款項及可供銷售財務資產(如適用)。當財務資產於初步確認時，彼等乃按公平值計量，另加(倘投資並非按公平值計入損益賬)直接應佔之交易成本。當本集團首次成為合約之訂約方時，本集團考慮合約是否包含內嵌式衍生工具。當分析顯示內嵌式衍生工具之經濟特徵及風險並非與主合約者緊密相關時，內嵌式衍生工具與並非按公平值計入損益賬計量之主合約分開處理。

本集團於初步確認後釐定其財務資產分類，並(倘允許及適當)於結算日重新評估此項分類。

所有定期買賣之財務資產概於交易日(即本集團承諾買賣該資產之日)確認。定期買賣乃指須在市場規定或慣例普遍確立之期間內交付資產之財務資產買賣。

按公平值計入損益賬之財務資產

按公平值計入損益賬之財務資產包括持作交易之財務資產。如購入財務資產之目的是為了在短期內出售，則該財務資產列為持作交易類別。持作交易投資之收益或虧損於損益賬內確認。

貸款及應收款項

貸款及應收款項指並非於活躍市場報價但具有固定或可釐定付款之非衍生財務資產。此類資產採用實際利率法按攤銷成本列賬。攤銷成本乃透過計入收購時產生之任何折現或溢價計算及包括構成實際利率整體部份之費用及交易成本。如貸款及應收款項停止確認或出現減值，以及正在進行攤銷，則在損益賬內確認收益及虧損。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets in listed and unlisted equity securities that are designated in this category or not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

When the fair value of unlisted equity securities cannot be reliably measured because the variability in the range of reasonable fair value estimates is significant for that investment or the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair values of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to the market value of other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the provision of allowance. The amount of the impairment loss is recognised in the income statement.

2. 重大會計政策概要(續)

(h) 投資及其他財務資產(續)

可供銷售財務資產

可供銷售財務資產乃指可供銷售或未分類為任何其他兩個財務資產類別之上市及非上市股本證券之非衍生財務資產。經初步確認後，可供銷售財務資產按公平值計量，公平值變動產生之盈虧作為權益之單獨組成部分確認，直至停止確認該投資或直至投資被釐定為出現減值為止，屆時，之前於權益中申報之累計盈虧將列入損益賬。彼等包括在非流動資產內，惟管理層計劃於結算日後十二個月內出售該資產除外。

當非上市股本證券之公平值因合理公平值估計範圍之變動對該投資項目而言屬重大；或因上述範圍內各種估計值之概率無法合理評估及用於估計公平值而不能可靠計量時，此類證券乃按成本值減任何減值虧損列賬。

公平值

對於在組織完善金融市場交投活躍之投資項目，其公平值乃參照結算日營業時間結束時之市場買盤報價釐定。如財務資產市場並不活躍（及為非上市證券而言），本集團乃採用估值技術釐定其公平值。估值技術包括採用最近之公平市場交易、參考另一大致相同之金融工具當時之市場價值、折現現金流量分析及被界定為反映發行人之特定情形之期權定價模式。

財務資產減值

本集團於每個結算日評估是否有客觀憑證顯示一項或一組財務資產已經出現減值。

按攤銷成本列賬之資產

如有客觀證據顯示，按攤銷成本列賬之貸款及應收款項出現減值虧損，虧損數額按資產之賬面值，與以該財務資產之原實際利率（即初次確認時所採用之實際利率）折現之估計未來現金流量現值之間之差額計量。該資產之賬面值乃直接或通過使用備抵賬扣減。減值虧損之數額在損益賬中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale financial asset is impaired, the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is transferred from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2. 重大會計政策概要(續)

(h) 投資及其他財務資產(續)

財務資產減值(續)

按攤銷成本列賬之資產(續)

本集團首先評估是否有客觀證據顯示，各自而言具重要性之財務資產是否各自出現減值，以及各自而言不具重要性之財務資產是否各自或共同出現減值。如確定沒有客觀證據顯示一項個別評估之財務資產(無論重要與否)出現減值，則該項資產計入具有相若信貸風險特徵之一組財務資產內，該組財務資產會整體進行減值評估。

如在日後某個期間，減值虧損金額減少，而有關減少客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將予撥回。減值虧損日後之任何撥回均於損益賬中確認，惟資產賬面值不得超過其於撥回日之攤銷成本。

按成本列賬之資產

如有客觀證據顯示，因其公平值不能可靠計量而未按公平值列賬之非上市股本工具出現減值虧損，虧損數額將按該資產之賬面值與按同類財務資產當時之市場回報率折現之估計未來現金流量之現值之間之差額計量。該等資產之減值虧損不予撥回。

可供銷售財務資產

如可供銷售財務資產出現減值，收購成本與現時公平值兩者之差額(減先前於損益賬確認之有關該項財務資產之任何減值虧損)乃撥自權益並於損益賬確認。於損益賬確認為股本工具之減值虧損並不會透過損益賬撥回。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets (continued)

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flow from the asset have expired; the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them full without material delay to a third party under a "pass-through" arrangement; or the Group has transferred its rights to receive cash flows from the asset and either has (i) transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred of control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred assets, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified accordingly to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is an contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at amortised costs.

Financial liabilities at amortised cost

Financial liabilities including other payables and accrued liabilities which are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. 重大會計政策概要(續)

(h) 投資及其他財務資產(續)

取消確認財務資產

財務資產在下列情況下將取消確認：收取該項資產所得現金流量之權利已經屆滿；本集團保留收取該項資產所得現金流量之權利，惟須根據一項「轉付」安排，在未有嚴重延誤第三者之情況下，已就有關權利全數承擔付款之責任；或本集團已轉讓其收取該項資產所得現金流量之權利，並(i)已轉讓該項資產之絕大部分風險及回報；或(ii)並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產之控制權。

本集團凡轉讓其收取該項資產所得現金流量之權利，但並無轉讓或保留該項資產之絕大部分風險及回報，且並無轉讓該項資產之控制權，該項資產將確認入賬，條件為本集團須持續涉及該項資產。持續涉及指本集團就已轉讓資產作出之保證，已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計算。

以沽出及／或購入期權(包括現金結算期權或類似期權)之方式繼續參與之已轉讓資產，本集團繼續參與之程度將為本集團可購回轉讓資產之款額，惟就以公平值計量之資產之沽出認沽期權(包括現金結算期權或類似期權)而言，本集團繼續參與之程度將以轉讓資產之公平值或期權行使價兩者中之較低者為限。

財務負債及權益

由本集團發行之財務負債及股本工具按所訂立之合約安排性質及財務負債及股本工具之定義而分類。

股本工具為證明本集團資產剩餘權益(經扣除其所有負債)之任何合約。本集團之財務負債一般分類為按攤銷成本計算之財務負債。

按攤銷成本計算之財務負債

財務負債包括其他應收款及應計負債，初步以公平值減直接應佔交易成本列賬，其後則以實際利息法按攤銷成本計量，惟倘貼現之影響並不重大，於此情況下則按成本列賬。

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investments and other financial assets (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligations under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(i) Impairment of non-financial assets

Assets that have an indefinite useful life are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(j) Deferred revenue

Deferred revenue represents amounts received in advance for services to be rendered.

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

2. 重大會計政策概要 (續)

(h) 投資及其他財務資產 (續)

取消確認財務負債

當負債項下之責任被解除或取消或屆滿，財務負債將取消確認。

如現有財務負債由同一放債人以條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於損益賬中確認。

(i) 非財務資產減值

具有無限可使用年期之資產每年須接受至少一次減值測試，而如發生任何可能導致未能收回資產賬面值之事項或環境變化，本集團亦會檢討該資產之減值情況。至於須折舊或攤銷之資產，如發生任何可能導致未能收回資產賬面值之事項或環境變化，本集團將檢討該資產之減值情況。減值虧損為資產賬面值超越其可收回金額之數額。可收回金額為資產公平值減出售成本後之價值與其使用價值之間之較高者。為了評估資產減值，本集團按可獨立地確認其現金流量之最低水平（現金產生單位）劃分資產類別。

(j) 遞延收入

遞延收入指提供服務前所獲得之收入款額。

(k) 稅項

所得稅指本年度應付稅項及遞延稅項之總額。

本年度應付之稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收支項目，且不包括收益表內從未課稅或扣稅之項目。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

2. 重大會計政策概要 (續)

(k) 稅項 (續)

遞延稅項乃就財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法作會計處理。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產在可能出現可動用暫時差額扣減之應課稅溢利時確認。倘若交易中因商譽(或負商譽)或因業務合併以外原因首次確認其他資產及負債而引致之暫時差額並不影響應課稅溢利及會計溢利時，則不會確認該等資產及負債。

遞延稅項負債就於附屬公司之投資產生之應課稅暫時差額予以確認，惟於本集團可控制暫時差額之撥回及暫時差額可能在可見將來不會撥回則除外。

遞延稅項資產之賬面值乃於各結算日進行檢討，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部份遞延稅項資產為止。

遞延稅項乃按預期於清償負債或變現資產時期間應用之稅率計算。遞延稅項於損益賬中扣除或計入損益賬，惟倘遞延稅項直接於權益中扣除或計入權益之情況(於此情況下遞延稅項亦會於權益中處理)除外。

(l) 準備

倘若本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致資源外流，並可就責任金額作出可靠的估計，便會就此計提準備。如果貨幣時間價值重大，則按預計履行義務所需開支於結算日的現值計提準備。

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) Dividends distribution

Final dividend proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability in the Group's financial statements.

Interim dividends are recognised as a liability when they are proposed and declared.

(o) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

2. 重大會計政策概要(續)

(m) 或然負債及或然資產

或然負債指因已發生的事件而可能引起的責任，此等責任須就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致現有的責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。或然負債不會被確認，但會在財務報表附註內披露。假若消耗資源的可能性改變而導致出現資源消耗時，此等負債將被確認為撥備。

或然資產是指因已發生的事件而可能產生的資產，此等資產須就某一宗或多宗未來事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然資產不會被確認，但會於可能收到經濟效益時在財務報表附註內披露。若實質確定有收到經濟效益時，此等效益方會被確立為資產。

(n) 股息分派

由董事建議派付之末期股息在資產負債表內股本項下列作保留溢利之一項獨立分配，直至於股東大會上獲股東批准為止。待此等股息獲股東批准而宣派後，將獲確認為一項負債。

中期股息於建議及宣派時確認為負債。

(o) 外幣換算

計入本集團各實體之財務報表之項目乃使用有關實體經營所在主要經濟環境之貨幣計量(「功能貨幣」)。綜合財務報表均以港幣呈列，而港幣為本公司之功能及呈列貨幣。

外幣換算均使用於有關交易日期之現行匯率換算為功能貨幣。以外幣計值之貨幣性資產及負債均按於結算日之功能貨幣匯率進行換算。外匯收益及虧損均於損益賬確認，惟當於權益中遞延作為合資格現金流量對沖或合資格淨投資對沖時則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Foreign currency translation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Company's functional currency. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the cumulative amount recognised in equity relating to that entity is recognised in the income statement.

(p) Employee benefits

i) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. No accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward as the amount is immaterial.

ii) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2. 重大會計政策概要(續)

(o) 外幣換算(續)

以外幣為單位按歷史成本計量之非貨幣性項目均使用最初交易日期之匯率進行換算。以外幣為單位按公平值計量之非貨幣性項目乃使用於釐定公平值日期之匯率進行換算。

若干海外附屬公司之功能貨幣均為本公司之功能貨幣以外之貨幣。於結算日，該等實體之資產及負債均按於結算日之匯率換算為本公司之呈列貨幣，及彼等之損益賬均按年內之加權平均匯率換算為港幣。因此而產生之匯兌差額均計入匯兌波動儲備內。於出售境外實體時，於權益中確認之有關該實體之累計金額乃於損益賬確認。

(p) 僱員福利

i) 有薪假期結轉下年度

本集團根據僱員合約，按曆年基準向僱員提供有薪年假福利。在若干情況下，有關僱員在結算日尚餘之有薪假期可結轉下一個曆年。基於涉及之款額微不足道，故在結算日並未就此等僱員年內應計及結轉下年度之有薪假期之預期未來累計成本列賬。

ii) 退休福利計劃

本集團根據強制性公積金計劃條例設立界定供款強制性公積金計劃（「強積金計劃」）供合資格參與強積金計劃之有關僱員參與。根據強積金計劃之規則，供款額為僱員基本薪金之某個百分比，並於應繳付時在損益賬扣除。強積金計劃之資產與本集團之資產分開持有，並由獨立運作之基金管理。本集團之僱主供款於對強積金計劃供款時全數歸於僱員。

於中國內地經營之本集團附屬公司之僱員須參與由當地市政府設立之中央退休福利計劃。根據中央退休福利計劃之規則，供款乃當其應繳付時於損益賬扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

iii) Share options scheme

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(q) Related parties

A party is considered to be related to the Group if:

- (i) the party, directly or indirectly through one or more intermediaries, (a) controls, is controlled by, or is under common control with, the Group; (b) has an interest in the Group that gives it significant influence over the Group; or (c) has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Group or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);

2. 重大會計政策概要(續)

(p) 僱員福利(續)

iii) 購股權計劃

授予僱員之購股權之公平值連同資本儲備內之相應增加乃於權益內確認為一項僱員成本。該公平值乃於授出日期經計及購股權獲授出時之條款及條件後計量。倘僱員須於無條件享有購股權之前履行歸屬條件，則購股權之估計公平值總額乃經計及購股權將會歸屬之可能性後按歸屬期予以攤分。

於歸屬期內，會檢討預期歸屬之購股權數目。於過往年度確認之累計公平值之任何調整乃扣自／計入有關檢討年度之損益賬，除非原有僱員支出連同資本儲備之相應增加可確認一項資產則作別論。於歸屬日，確認為一項支出之款額乃予以調整，以反映歸屬之實際購股權數目（連同資本儲備之相應調整），惟倘沒收僅因未達致與本公司股份之市價有關之歸屬條件則除外。股本款額乃於資本儲備中確認直至購股權獲行使用（當其撥至股份溢價賬時）或購股權屆滿（當其直接扣自保留盈利時）為止。

(q) 關連人士

以下人士被視為與本集團有關連：

- (i) 該人士透過一個或多個中價直接或間接(a)控制本集團或受本集團控制或與本集團受到共同控制；(b)於本集團之權益使其可對本集團施加重大影響力；或(c)共同控制本集團；
- (ii) 該人士為聯繫人士；
- (iii) 該人士為共同控制實體；
- (iv) 該人士為本集團或其母公司之主要管理人員成員；
- (v) 該人士為(i)或(iv)項所述任何個別人士家族之親近成員；

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Related parties (continued)

- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

(r) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, demand deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(s) Borrowing costs

Borrowing costs are interests and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the income statement in the period in which they are incurred.

(t) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

2. 重大會計政策概要(續)

(q) 關連人士(續)

- (vi) 該人士為受(iv)或(v)項所述任何人士直接或間接控制、共同控制或擁有重大影響力之實體或就此於該實體中擁有重大投票權；或
- (vii) 該人士為有關本集團僱員福利或作為本集團關連人士之任何實體而設立之離職後福利計劃。

(r) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭上現金、活期存款及可隨時轉換為已知數額的現金、並無重大價值變動風險及一般於購入後三個月內屆滿的短期高流動投資，減須按要求償還之銀行透支，並構成本集團現金管理之整體部份。

(s) 借貸成本

借貸成本指因借入資金而產生之利息及其他成本。所有借貸成本均於其產生期間於損益賬中扣除。

(t) 經營租賃

資產所有權之幾乎所有回報及風險由出租人保留之租賃均列作經營租賃。倘本集團為承租人，根據經營租賃應付之租金(扣除自出租人所收取之任何獎勵)乃按有關租賃年期以直線法於損益賬扣除。

根據經營租賃之預付土地費用乃初步按成本值列賬，並隨後按有關租賃年期以直線法確認。

(u) 分部呈報

一個分部乃指本集團之一個可清楚界定的組成部份，經營提供產品或服務的業務(按業務劃分)，或在某一特定經濟環境經營提供產品或服務的業務(按地區劃分)，其風險與回報亦與其他分部不同。

根據本集團的內部財務申報，本集團已選擇業務分部資料作為主要呈報模式，而地區分部資料則作為次要呈報模式。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Estimate of fair value of available-for-sale financial assets

If information on current or recent prices of available-for-sale financial assets is not available, the fair values of available-for-sale financial assets are determined using valuation techniques (including discounted cash flow model or price/earnings multiple model). The Group uses assumptions that are mainly based on market conditions existing at each balance date.

2. 重大會計政策概要(續)

(u) 分部呈報(續)

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，與及可按合理基準向有關分部劃撥之項目。分部收入、支出、資產及負債在集團成員公司間的結餘款額及集團成員公司間的交易互相對銷(此乃綜合賬目過程之一部份)前釐定，惟倘此等集團成員公司間之結餘款額及交易乃在集團成員公司間某單一分部內產生者，則作別論。各分部之間的交易定價乃根據各分部向集團外其他人士提供之類似交易條款釐定。

分部資本開支乃於本年度內購入且預期可使用一年以上之分部資產(包括有形及無形資產)所引致之總成本額。

3. 重要會計判斷及估計

估計及判斷乃一直根據過往經驗及其他因素(包括於有關情況下對未來事項認為屬合理之預期)作出評估。

重要會計估計及假設

本集團會就未來作出估計及假設。就此產生之會計估計因其本質將難以等同相關實際結果。極有可能引致需對下一個財政年度之資產及負債賬面值作出重大調整之該等估計及假設乃於下文論述。

(i) 所得稅

本集團須繳納多個司法權區之所得稅。於釐定世界各地之所得稅準備時需作出重要判斷。於正常業務過程中，有許多交易及計算均難以明確作出最終稅務釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與起初錄得之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項準備。

(ii) 可供銷售財務資產之公平值估計

倘並無可用之有關可供銷售財務資產之現時或近來價格之資料，則可供銷售財務資產之公平值乃使用估值技術(包括折讓現金流量模式或價格／盈利倍數模式)。本集團採用主要根據於每個結算日之市場條件作出之假設。

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

(iii) Useful lives and residual values of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives, residual values and consequently related depreciation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. The Group assesses annually whether property, plant and equipment, leasehold land, land use rights and intangible assets have any indication of impairment. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgement and estimates.

(iv) Estimated impairment of intangible assets and goodwill

The Group tests annually whether the intangible assets and goodwill have suffered any impairment in accordance with the accounting policy stated in Note 2(g) and Note 2(f) to the financial statements respectively. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's principal financial instruments include equity investments, pledged bank deposits and bank balances. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

3. 重要會計判斷及估計(續)

(iii) 物業、廠房及設備及無形資產之可使用年期及剩餘價值

本集團之管理層為其物業、廠房及設備及無形資產釐定估計可使用年期、剩餘價值及就此相關折舊支出。此項估計乃根據類似性質及功能之物業、廠房及設備以及無形資產實際可使用年期之過往經驗而作出。本集團每年評估物業、廠房及設備、租賃土地、土地使用權及無形資產是否出現任何減值跡象。可回收金額乃根據使用價值計算或市場估值而作出。該等估計需要使用若干判斷及估計。

(iv) 無形資產及商譽之估計減值

本集團分別根據財務報表附註2(g)及附註2(f)所載之會計政策，每年測試無形資產及商譽是否出現任何減值。現金產生單位之可回收金額乃根據使用價值計算釐定。該等計算需要使用管理層對未來業務營運所作之估計及假設、稅前折現率及其他有關使用價值計算之假設。

4. 財務風險管理

財務風險因素

本集團之主要財務工具包括股本投資、已抵押銀行存款及銀行結餘。該等金融工具之詳情乃於各附註內披露。與該等財務工具有關之風險及如何減低該等風險之政策載於下文。管理層會管理及監察該等風險，以確保可及時有效地實行適當措施。

(a) 市場風險

外匯風險

本集團於世界各國經營業務，從而承受因各種貨幣風險(主要涉及港元)而產生之外匯風險。因未來商業交易而產生之外匯風險已確認於境外經營業務之資產、負債及淨投資。本集團現時並無外幣對衝政策。然而，管理層會留意外匯風險，並將於需要時考慮對沖重大外幣風險。

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk factors (continued)

(a) Market risk (continued)

Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet either as available-for-sale financial assets or as financial assets at fair value through profit or loss which are measured at fair value at each balance sheet date. The Group manages the price risk exposure by maintaining a portfolio of investments with different risk profiles.

(b) Credit risk

The carrying amounts of bank balances and cash and other receivables, represent the Group's maximum exposure to credit risk in relation to financial assets.

There is no concentration of credit risk with respect to exhibitions as the Group has a large number of diversified customers.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents and other receivables, the Group's exposure to credit risk arises from default of the other party, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Group in relation to the other financial assets.

(c) Liquidity risk

Internally generated cash flow is the general source of funds to finance the operation of the Group. The Company had net current liabilities of approximately HK\$18,352,000 as at 31 March 2007. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations. As set out in note 33 to the financial statements, subsequent to the balance sheet date, the Group entered into a sale and purchase agreement to dispose a property for a consideration of HK\$8,986,250 on 25 April 2007. The Company has also carried out an open offer of 117,726,000 new shares of HK\$0.10 each for an aggregate consideration, net of expenses, of approximately HK\$10,180,000. In addition, Capital Concord, a substantial shareholder of the Company has agreed to provide continuing financial support to the Group.

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets or liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

4. 財務風險管理 (續)

財務風險因素 (續)

(a) 市場風險 (續)

價格風險

由於本集團持有之投資均於綜合資產負債表分類為可供銷售財務資產或按公平值計入損益賬之財務資產(按各結算日之公平值計量)，故本集團須承受股本證券價格風險。本集團透過維持具有不同風險情況之投資組合管理其所承受之價格風險。

(b) 信貸風險

銀行結餘及現金及其他應收款項之賬面值乃本集團有關財務資產信貸風險之最大風險。

由於本集團擁有眾多各種客戶，故並無有關展覽會之集中信貸風險。

本集團其他財務資產(其主要包括現金及現金等值項目以及其他應收款項)之信貸風險、本集團承受因其他人士違約而產生之信貸風險及最大風險乃相等於彼等工具之賬面值。本集團內並無與其他財務資產有關之重大集中信貸風險。

(c) 流動資金風險

內部產生之現金流量乃為本集團之營運提供資金之一般資金來源。本公司於二零零七年三月三十一日之流動負債淨額約為18,352,000港元。本集團定期檢討其主要資金狀況，以確保其具備充足財務資源應付其財務責任。如財務報表附註33所載，於結算日後，本集團於二零零七年四月二十五日訂立買賣協議，以出售物業，代價為8,986,250港元。本公司亦以總代價(扣除費用)約10,180,000港元公開發售117,726,000股每股面值0.10港元之新股份。此外，本公司主要股東Capital Concord已同意向本集團提供持續財務支援。

(d) 現金流量及公平值利率風險

由於本集團並無重大附息資產或負債，故本集團之收入及營運現金流量大部分與市場利率變動無關。

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5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's turnover, results, assets and liabilities are determined solely from one business segment, the organising of trade shows and exhibitions and providing ancillary services and accordingly, no further analysis of the Group's segment revenue, segment results, segment assets, segment liabilities, capital expenditure, depreciation and amortisation by principal activities is provided.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments, including Hong Kong, the People's Republic of China (the "PRC"), the United Kingdom ("UK"), the United States of America ("USA") and the Republic of Poland ("Poland").

Geographical segments

Segment revenue:

Turnover from shows and exhibitions and providing ancillary services:

Hong Kong
PRC
UK
USA
Poland

分部收入：

展覽會及提供相關補充服務之營業額：

香港
中國
英國
美國
波蘭

Other segment information:

Segment assets:

Hong Kong
PRC

其他分部資料：

分部資產：

香港
中國

Capital expenditure:

Hong Kong
PRC

資本支出：

香港
中國

5. 分部資料

分部資料以兩種分部形式呈列：(i)按第一分部報告基準之業務分部；及(ii)按第二分部報告基準之地區分部。

本集團之營業額、業績、資產及負債僅來自一個業務分部即舉辦貿易展覽會及提供相關補充服務，故並無提供本集團之分部收益、分部業績、分部資產、分部負債、資本支出、折舊及攤銷按主要業務之進一步分析。

決定本集團之地區分部時，收入乃按顧客所在地區劃分，而資產則按資產所在地劃分。

下表呈列本集團地區分部（包括香港、中華人民共和國（「中國」）、英國、美利堅合眾國（「美國」）及波蘭共和國（「波蘭」）之收入及若干資產及支出資料。

地區分部

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Revenue		
Hong Kong	197,091	217,641
PRC	-	2,779
UK	17,394	17,432
USA	11,688	13,930
Poland	10,146	9,868
Total	236,319	261,650
Assets		
Hong Kong	116,657	146,410
PRC	4,191	9,947
Total	120,848	156,357
Capital expenditure		
Hong Kong	1,226	243
PRC	102	69
Total	1,328	312

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6. TURNOVER AND OTHER REVENUE

Turnover represents the aggregate of participation fee income, entrance fee income, hotel and travel package income, advertising fee income and portal income from exhibitions and trade shows. It is stated net of output value added tax of approximately HK\$5,276,000 (2006: HK\$4,664,000) accrued at 17.5% or 22% of the gross income generated from the exhibition and shows held in the United Kingdom and Poland respectively.

An analysis of the Group's turnover and other revenue is as follow:

Turnover

Participation fee income
Entrance fee income
Hotel and travel package income
Advertising fee income
Portal income

營業額

參展費收入
入場費收入
酒店及旅遊套票收入
廣告費收入
入門網站收入

Other revenue

Interest income
Forfeited deposit received

其他收益

利息收入
已收被沒收之按金

Total revenue

總收益

6. 營業額及其他收益

營業額指來自展覽會及貿易展覽會之參展費收入、入場費收入、酒店及旅遊套票收入、廣告費收入及入門網站收入。此等收入在減去銷項增值稅約5,276,000港元(二零零六年: 4,664,000港元)後列賬。有關稅項以在英國及波蘭舉辦之展覽會所產生總收入之17.5%或22%計提。

本集團之營業額及其他收益分析如下：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
營業額		
212,976	233,819	
762	918	
11,833	14,632	
8,105	9,576	
2,643	2,705	
236,319	261,650	
其他收益		
1,675	1,112	
1,422	—	
3,097	1,112	
239,416	262,762	

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7. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging:

7. 經營業務虧損

本集團之經營業務虧損已扣除：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Amortisation of intangible assets	無形資產攤銷	6,096	4,549
Amortisation of development costs for shows and exhibitions	展覽會發展成本攤銷	-	1,105
Amortisation of prepaid land premium	預付土地費用之攤銷	9	9
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,362	2,571
		8,467	8,234
Staff costs (including directors' remuneration (note 9))	員工成本 (包括董事酬金 (附註9))	49,591	54,000
- wages and salaries	- 工資及薪金	1,102	1,087
- retirement benefits scheme contributions	- 退休福利計劃供款	50,693	55,087
Auditors' remuneration	核數師酬金	500	425
Development costs expensed for shows and exhibitions held during the year	年內舉行之展覽會之發展 成本列作開支	-	10,460
Impairment of interest in an option to acquire an equity interest of a company	購入一間公司股權之購股權 之權益減值	2,358	3,604
Minimum lease payments under operating lease rentals of land and buildings (note (i))	土地及樓宇經營租賃租金之 最低租賃付款 (附註(i))	49,336	39,026
Fair value losses of financial assets at fair value through profit or loss	按公平值計入損益賬之財務 資產之公平值虧損	-	15,126
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益賬之 財務資產之虧損	8,500	-
and after crediting:	並經計入：		
Other income:	其他收入：		
Exchange differences, net	匯兌差異淨額	-	700
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	44
Other income	其他收入	290	759
		290	1,503

Note:

- (i) The amount includes rentals paid for the venues of exhibitions and trade shows held in the United Kingdom and Poland, net of input value added tax of approximately HK\$2,544,000 (2006: HK\$1,373,000) accrued respectively at 17.5% or 22% of the gross rental expenses for the year.

附註：

- (i) 該筆款項包括就於英國及波蘭舉行之貿易展覽會之場地所支付之租金，已扣除按本年度租金支出總額之17.5%或22%計提之進項增值稅約2,544,000港元 (二零零六年：1,373,000港元)。

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8. FINANCE COSTS

8. 融資成本

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Interests on bank loan wholly repayable within five year	五年內應悉數償還之銀行貸款利息	-	67

9. DIRECTORS' REMUNERATION

Directors' remuneration, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follow:

9. 董事酬金

根據上市規則及香港公司條例第161條之規定而須披露之董事酬金如下：

The Group and the Company 本集團及本公司

Name of Directors 董事姓名	Fees 袍金 HK\$'000 千港元	Basic salaries 基本薪金 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Bonuses 花紅 HK\$'000 千港元	Provident fund contributions 公積金供款 HK\$'000 千港元	Total 合計 HK\$'000 千港元
2007:						
Executive directors						
Mr. Ip Ki Cheung	—	1,556	840	256	12	2,664
Mr. Cheung Shui Kwai	—	1,556	840	256	12	2,664
Mr. Chan Siu Chung	—	1,556	840	256	12	2,664
Independent non-executive directors						
Mr. Chan Wing Yau, George	105	—	—	—	—	105
Mr. Lai Yang Chau, Eugene	105	—	—	—	—	105
Mr. Law Sung Ching, Gavin	105	—	—	—	—	105
	315	4,668	2,520	768	36	8,307
2006:						
Executive directors						
Mr. Ip Ki Cheung	—	1,488	840	2,300	12	4,640
Mr. Cheung Shui Kwai	—	1,488	840	1,380	12	3,720
Mr. Chan Siu Chung	—	1,488	840	920	12	3,260
Independent non-executive directors						
Mr. Chan Wing Yau, George	60	—	—	—	—	60
Mr. Lai Yang Chau, Eugene	60	—	—	—	—	60
Mr. Law Sung Ching, Gavin	60	—	—	—	—	60
	180	4,464	2,520	4,600	36	11,800

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

9. DIRECTORS' REMUNERATION (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

During the year, no share options were granted to directors in respect of their services to the Group under the Company's share option scheme and the Company had no options outstanding as at 31 March 2007 and up to the date of approval of these financial statements.

The emolument policy of the directors is determined by reference to the individual performance of the directors and approved by the Remuneration Committee and the Board. For executive directors, any adjustment to their remuneration packages will be subjected to the director's service agreements.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2006: three) directors. Details of whose remuneration are set out in note 9 to the financial statements.

The details of the remuneration of the remaining two (2006: two) non-directors, highest paid employees are as follow:

Basic salaries and allowances	基本薪金及津貼
Bonus	花紅
Retirement benefits scheme contributions	退休福利計劃供款

The number of employees whose remuneration fell within the following band is as follow:

HK\$Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元

9. 董事酬金 (續)

年內並無董事放棄或同意放棄任何酬金之安排。

年內，概無董事就彼等向本集團提供服務而根據本公司之購股權計劃獲授購股權，且本公司於二零零七年三月三十一日及截至本財務報表批准日期止概無尚未行使之購股權。

董事之酬金政策乃由參考董事之個人表現後釐定，並由薪酬委員會及董事會批准。至於執行董事，彼等酬金之任何調整將須遵守董事之服務協議。

10. 五名最高薪僱員

年內五名最高薪僱員包括三名(二零零六年：三名)董事，其酬金詳情載於財務報表附註9內。

其餘兩名(二零零六年：兩名)為非董事最高薪僱員，其酬金詳情如下：

Group 集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元
1,416	1,305
383	366
24	24
1,823	1,695

酬金介乎以下金額範圍之僱員數目如下：

Number of employees 僱員數目	
2007	2006
1	2
1	—
2	2

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11. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the respective jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The amount of taxation charged to the income statement represents:

Hong Kong profits tax	香港利得稅
Provided for the year	年內準備
Over-provision in previous years	過往年度超額準備
Overseas income tax	海外所得稅
Provided for the year	年內準備
(Over)/under-provision in previous years	過往年度(超額準備)/準備不足

The Group has tax losses arising in Hong Kong of approximately HK\$44,902,000 (2006: HK\$25,933,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised due to the unpredictability of the future profit streams.

11. 稅項

香港利得稅乃按年內於香港產生之估計應課稅溢利以稅率17.5%(二零零六年:17.5%)提撥準備。其他地區之應課稅溢利之稅項則就本集團經營業務所在之各司法權區之現行法規、詮釋及慣例,按有關司法權區之現行稅率計算。

於損益賬內扣除之稅項如下:

2007 HK\$'000 千港元	2006 HK\$'000 千港元
4,592	3,443
-	(125)
4,592	3,318
-	85
(169)	71
(169)	156
4,423	3,474

本集團於香港產生之稅項虧損約為44,902,000港元(二零零六年:25,933,000港元),可無限期用於抵銷產生虧損公司日後之應課稅溢利。由於日後溢利來源不確定,故並無確認遞延稅項資產。

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

11. TAXATION (continued)

Reconciliation between tax expense and accounting loss at applicable tax rate:

11. 稅項 (續)

按適用稅率計算的稅項支出及會計虧損對賬如下：

		2007							
		Hong Kong 香港		The PRC 中國		United States 美國		Total 總額	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Loss before tax	除稅前虧損	(18,131)		(9,964)		(1,893)		(29,988)	
Tax at applicable tax rate	按適用稅率計算之稅項	(3,172)	(17.5)	(3,288)	(33.0)	(284)	(15)	(6,744)	(22.5)
Estimated tax effect of expenses not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減開支之估計稅務影響	3,966	21.9	778	7.8	284	15	5,028	16.7
Estimated tax effect of income not taxable in determining taxable profit	於釐定應課稅溢利時毋須課稅收入之估計稅務影響	(366)	(2.0)	-	-	-	-	(366)	(1.2)
Over-provision in previous year	過往年度超額準備	-	-	-	-	(169)	(8.9)	(169)	(0.6)
Estimated tax effect of unrecognised tax losses	未確認稅項虧損之估計稅務影響	4,164	22.9	2,510	25.2	-	-	6,674	22.3
Tax charge/(credit) at the Group's effective rate for the year	按本集團於本年度之實際稅率計算之稅項支出/(抵免)	4,592	25.3	-	-	(169)	(8.9)	4,423	14.7
		2006							
		Hong Kong 香港		The PRC 中國		United States 美國		Total 總額	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Loss before tax	除稅前虧損	(15,901)		(9,768)		(3,081)		(28,750)	
Tax at applicable tax rate	按適用稅率計算之稅項	(2,783)	(17.5)	(3,223)	(33.0)	(462)	(15.0)	(6,468)	(22.5)
Estimated tax effect of expenses not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減開支之估計稅務影響	3,656	23.0	1,227	12.6	-	-	4,883	16.9
Estimated tax effect of income not taxable in determining taxable profit	於釐定應課稅溢利時毋須課稅收入之估計稅務影響	(187)	(1.2)	-	-	-	-	(187)	(0.6)
(Over)/under-provision in previous year	過往年度(超額準備)/準備不足	(125)	(0.8)	-	-	71	2.3	(54)	(0.2)
Estimated tax effect of unrecognised tax losses	未確認稅項虧損之估計稅務影響	2,757	17.3	1,996	20.4	547	17.7	5,300	18.4
Tax charge at the Group's effective rate for the year	按本集團於本年度之實際稅率計算之稅項支出	3,318	20.8	-	-	156	5.0	3,474	12.0

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

12. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company for the year ended 31 March 2007 which has been dealt with in the financial statements of the Company amounted to approximately HK\$45,560,000 (2006: HK\$29,290,000).

13. DIVIDENDS

Dividend recognised as distribution during the year:

Interim dividend paid of HK\$0.05 (2006: HK\$0.05) per ordinary share

年內作為分派之已確認股息：

已付中期股息每股普通股0.05港元 (二零零六年：0.05港元)

14. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share is based on the loss attributable to the ordinary equity holders of the Company of HK\$34,411,000 (2006: HK\$33,191,000) and the weight average number of 235,452,000 (2006: 222,277,000) ordinary shares in issue during the year.

Diluted loss per share for the year ended 31 March 2007 is the same as the basic loss per share as there was no dilutive events during the year. For the year ended 31 March 2006, the diluted loss per share was the same as the basic loss per share as the warrants outstanding during the year had anti-dilutive effect on the basic loss per share.

12. 本公司股東應佔本年度虧損

截至二零零七年三月三十一日止年度，本公司之財務報表中本公司股東應佔本年度虧損約為45,560,000港元(二零零六年：29,290,000港元)。

13. 股息

2007 HK\$'000 千港元	2006 HK\$'000 千港元
11,773	11,773

14. 本公司股東應佔每股虧損

每股基本虧損乃根據本公司普通股股東應佔虧損34,411,000港元(二零零六年：33,191,000港元)及年內已發行之235,452,000股(二零零六年：222,277,000股)普通股之加權平均數而計算。

由於截至二零零七年三月三十一日止年度內並無攤薄事件，故本年度之每股攤薄虧損與每股基本虧損相同。由於截至二零零六年三月三十一日止年度內尚未行使之認股權證對每股基本虧損具反攤薄效應，故該年度之每股攤薄虧損與每股基本虧損相同。

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15. PROPERTY, PLANT AND EQUIPMENT

The Group

15. 物業、廠房及設備

本集團

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Fixtures and fittings 裝置及配件 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost:	成本值：							
At 1 April 2005	於二零零五年四月一日	3,294	3,779	6,124	2,897	5,981	2,500	24,575
Additions	增添	-	52	9	-	251	-	312
Disposals	出售	-	-	-	-	(178)	-	(178)
Exchange alignment	匯率調整	-	-	1	-	9	-	10
At 31 March 2006 and at 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	3,294	3,831	6,134	2,897	6,063	2,500	24,719
Additions	增添	-	800	67	-	461	-	1,328
Disposals	出售	-	-	-	-	-	-	-
Exchange alignment	匯率調整	-	2	4	-	26	-	32
At 31 March 2007	於二零零七年三月三十一日	3,294	4,633	6,205	2,897	6,550	2,500	26,079
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 April 2005	於二零零五年四月一日	1,107	3,134	4,733	2,780	4,680	347	16,781
Provided during the year	年內準備	201	412	655	93	376	834	2,571
Written back on disposals	出售撥回	-	-	-	-	(44)	-	(44)
Exchange alignment	匯率調整	-	-	-	-	1	-	1
At 31 March 2006 and at 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	1,308	3,546	5,388	2,873	5,013	1,181	19,309
Provided during the year	年內準備	201	334	534	24	436	833	2,362
Written back on disposals	出售撥回	-	-	-	-	-	-	-
Exchange alignment	匯率調整	-	1	1	-	7	-	9
At 31 March 2007	於二零零七年三月三十一日	1,509	3,881	5,923	2,897	5,456	2,014	21,680
Net book value:	賬面淨值：							
At 31 March 2007	於二零零七年三月三十一日	1,785	752	282	-	1,094	486	4,399
At 31 March 2006	於二零零六年三月三十一日	1,986	285	746	24	1,050	1,319	5,410

At 31 March 2007, the Group's buildings are situated in Hong Kong and held under medium term lease.

於二零零七年三月三十一日，本集團之樓宇均位於香港，並按中期租賃持有。

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16. PREPAID LAND PREMIUM

The Group's interest in leasehold land represents prepaid operating lease payment and its net book value is analysed as follow:

Carrying amount at 1 April 2006/2005	於二零零六年／二零零五年四月一日 之賬面值
Recognised during the year	年內已確認
Carrying amount at 31 March 2007/2006	於二零零七年／二零零六年三月三十一日 之賬面值

The leasehold land is held under medium term lease in Hong Kong.

16. 預付土地費用

本集團於租賃土地之權益指預付經營租賃付款及其賬面淨值分析如下：

The Group 本集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元
364	373
(9)	(9)
355	364

租賃土地乃於香港按中期租賃持有。

17. INTERESTS IN SUBSIDIARIES

Unlisted investments, at cost	非上市投資，按成本值
Less: Impairment loss in respect of investment cost	減：投資成本減值虧損
Due from subsidiaries	應收附屬公司款項
Add: Reversal of impairment loss in respect of amount due from subsidiaries	加：應收附屬公司款項減值虧損撥回
Less: Impairment loss in respect of amount due from subsidiaries	減：應收附屬公司款項減值虧損

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the Company will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company consider that the carrying amount of the amounts due from subsidiaries approximate to their fair values.

17. 於附屬公司之權益

The Company 本公司	
2007 HK\$'000 千港元	2006 HK\$'000 千港元
7,676	7,676
(6,493)	(6,493)
1,183	1,183
64,521	80,989
529	—
(63,498)	(31,537)
2,735	50,635

應收附屬公司款項乃無抵押、免息及無固定還款期。董事認為，本公司由結算日起一年內將不會要求還款，因而被視為非流動資產。本公司董事認為，應收附屬公司款項之賬面值與其公平值相近。

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17. INTERESTS IN SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries as at 31 March 2007:

17. 於附屬公司之權益 (續)

以下為於二零零七年三月三十一日之主要附屬公司名單：

Name 名稱	Place of incorporation and operations 註冊成立及 經營地點	Nominal value of issued share capital 已發行股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Pro-Capital Investments Limited	British Virgin Islands 英屬處女群島	US\$50 50美元	100	–	Investment holding 投資控股
Kenfair International Limited 建發國際有限公司	Hong Kong 香港	HK\$100 100港元	–	100	Organisation of exhibitions and trade shows in Hong Kong and Macau 於香港及澳門舉辦 展覽會及貿易展覽會
Kenfair Publications Limited	Hong Kong 香港	HK\$10 10港元	–	100	Provision of advertising services and publication of trade show and exhibition booklets 提供廣告服務及出版 貿易展覽會場刊
Capital Harvest Assets Limited	British Virgin Islands 英屬處女群島	US\$20 20美元	–	100	Investment holding 投資控股
Polonius Company Limited	Hong Kong 香港	HK\$10 10港元	–	100	Property holding 持有物業
Kenfair International (Overseas) Limited	Hong Kong 香港	HK\$10 10港元	–	100	Organisation of overseas exhibitions and trade shows 舉辦海外展覽會及 貿易展覽會
Kenfair (U.S.A.) Limited	The United States of America 美利堅合眾國	US\$1 1美元	–	100	Organisation of overseas exhibitions and trade shows 舉辦海外展覽會及 貿易展覽會
Kenfair Travel Limited 建發旅運有限公司	Hong Kong 香港	HK\$500,000 500,000港元	–	100	Arrangement of hotel accommodation and travel package 安排酒店住宿及旅遊 套票
Kenfair Technology Limited	British Virgin Islands 英屬處女群島	US\$10 10美元	–	100	Domain name holding 持有互聯網域名

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17. INTERESTS IN SUBSIDIARIES (continued)

17. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation and operations 註冊成立及 經營地點	Nominal value of issued share capital 已發行股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Octopus Enterprises Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Astonishing Profits Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	–	100	Licence rights holding 持有特許權
Asian Online Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Holding an e-Commerce platform 持有電子商貿平台
Kenfair (Beijing) Exhibition Company Limited 建發(北京)會展有限公司	The PRC 中國	US\$1,450,000 1,450,000美元	–	100	Organisation of exhibitions and trade shows in the PRC and provision of consultancy services for exhibition 於中國舉辦展覽會及 貿易展覽會及提供 展覽會顧問服務
Kenfair International (Shanghai) Limited 上海建發展覽有限公司	The PRC 中國	US\$1,500,000 1,500,000美元	–	100	Organisation of exhibitions and trade shows in the PRC 於中國舉辦展覽會及 貿易展覽會
Kenfair (Sichuan) Exhibition Limited 建發(四川)展覽有限公司	The PRC 中國	US\$350,000 350,000美元	–	100	Organisation of exhibitions and trade shows in the PRC 於中國舉辦展覽會及 貿易展覽會
Superachieve International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Lucky Healthy Management Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Group Idea International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Kenfair Macau Exhibition Limited	Macau 澳門	MOP 25,000 25,000澳門元	–	100	Organisation of exhibitions and trade shows in Macau 於澳門舉力展覽會及 貿易展覽會

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17. INTERESTS IN SUBSIDIARIES (continued)

Notes:

- (i) Kenfair (Beijing) Exhibition Company Limited, Kenfair International (Shanghai) Limited and Kenfair (Sichuan) Exhibition Limited were formed as wholly-owned foreign enterprises in the PRC.
- (ii) In accordance with the board minute of the Kenfair (Sichuan) Exhibition Limited dated 20 March 2007, due to the operating losses of the Kenfair (Sichuan) Exhibition Limited, it was resolved that, Kenfair (Sichuan) Exhibition Limited would be deregistered in PRC. The deregistration was completed on 16 April 2007.
- (iii) Pro-Capital Investments Limited established a wholly-owned subsidiary, Superachieve International Limited, Lucky Healthy Management Limited and Group Idea International Limited on 23 May 2006, 21 April 2006 and 22 June 2006 respectively.
- (iv) On 25 September 2006, Lucky Healthy Management Limited and Group Idea International Limited have established a wholly owned subsidiary, Kenfair Macau Exhibition Limited.

17. 於附屬公司之權益 (續)

附註：

- (i) 建發(北京)會展有限公司、上海建發展覽有限公司及建發(四川)展覽有限公司均為於中國成立之外商獨資企業。
- (ii) 根據建發(四川)展覽有限公司於二零零七年三月二十日之董事會會議記錄，由於建發(四川)展覽有限公司錄得經營虧損，決定將建發(四川)展覽有限公司於中國予以註銷。註銷已於二零零七年四月十六日完成。
- (iii) Pro-Capital Investments Limited分別於二零零六年五月二十三日、二零零六年四月二十一日及二零零六年六月二十二日成立全資附屬公司Superachieve International Limited、Lucky Healthy Management Limited及Group Idea International Limited。
- (iv) 於二零零六年九月二十五日，Lucky Healthy Management Limited及Group Idea International Limited成立全資附屬公司Kenfair Macau Exhibition Limited。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. INTANGIBLE ASSETS

The Group

Cost:

At 1 April 2005
Fair value adjustment on consolidation
of a wholly-owned subsidiary

At 31 March 2006, 1 April 2006
and 31 March 2007

Accumulated amortisation:

At 1 April 2005
Amortisation provided for the year

At 31 March 2006 and 1 April 2006

Amortisation provided for the year
Impairment loss recognised

At 31 March 2007

Net book value:

At 31 March 2007

At 31 March 2006

成本值：

於二零零五年四月一日
於合併一間全資附屬公司
時作出之公平值調整

於二零零六年三月三十一日、
二零零六年四月一日及
二零零七年三月三十一日

累計攤銷：

於二零零五年四月一日
本年度之攤銷準備

於二零零六年三月三十一日及
二零零六年四月一日
本年度之攤銷準備
已確認之減值虧損

於二零零七年三月三十一日

賬面淨值：

於二零零七年三月三十一日

於二零零六年三月三十一日

The e-commerce platform represents "Kenfair.com" held by the Group. Kenfair.com is widely used in the Group's operation and generates income through membership fee, advertising fee and on-line application from its users. It acts as a virtual exhibition-sourcing platform for the suppliers to search for the target buyers. Members receive the latest information related to trade shows and exhibitions held by the Group. The cost of the e-commerce platform is amortised on a straight-line basis over the estimated remaining useful life of seven years.

License rights represents the non-executive right to use the data contained in the annual edition of a business directory which contains the contact details of the enterprises in Beijing, the PRC. The use of such data facilitates the development of exhibition business, and allows the Group to immediately and directly approach the potential customers. The cost of license rights is amortised on a straight-line basis over ninety months.

18. 無形資產

本集團

e-Commerce platform 電子商貿平台 HK\$'000 千港元	License rights 特許權 HK\$'000 千港元	Total 總額 HK\$'000 千港元
23,000	17,632	40,632
11,219	–	11,219
34,219	17,632	51,851
4,359	5,422	9,781
2,260	2,289	4,549
6,619	7,711	14,330
3,807	2,289	6,096
2,793	4,632	7,425
13,219	14,632	27,851
21,000	3,000	24,000
27,600	9,921	37,521

電子商貿平台指由本集團所持有之「Kenfair.com」。Kenfair.com廣泛應用於本集團之營運，並透過會員費、廣告費及其用戶之在線申請而帶來收入。Kenfair.com為供應商提供事實上的展覽會平台，以搜尋目標買家。會員可獲取有關本集團所持有貿易展覽會及展覽會之最新資訊。電子商貿平台之成本乃以直線法按餘下估計可使用年期七年予以攤銷。

特許權指使用商務指南(其載有中國北京之企業的聯繫詳情)年度版本所載數據之非獨家權利。使用有關數據有助拓展展覽會，並可讓本集團即時直接接洽潛在客戶。特許權之成本乃以直線法按九十個月予以攤銷。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

18. INTANGIBLE ASSETS (continued)

During the financial year, the Group reassessed the recoverable amount of the intangible assets with reference to the valuation performed by BMI Appraisals Limited, an independent professional valuers, and determined that the carrying amounts of the intangible assets exceed their recoverable amounts. Impairment loss of approximately HK\$7,425,000 has been recognised in respect of the intangible assets. The recoverable amount of the e-commerce platform and license rights are determined based on a value-in-use calculation. The calculation used cash flow projections based on the financial budgets approved by management covering a 5-year period and a discount rate of 15.7% and 14.3% for e-commerce platform and license right respectively per annum with reference to Risk Premia over Time Report: 2006 published by Ibbotson Associates (2005: 23%) adjusted by market risk premiums. Cash flows beyond the five-year period have been extrapolated using a steady 2% and 3% per annum growth rate for e-commerce platform and license right respectively. This growth rate does not exceed the long term average growth rate for the market in which the intangible assets operates. The management believes that this growth is justified, given the Company's past experience in the integration and solutions services industry. Management also believes that any reasonably possible future changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of these intangible assets.

18. 無形資產 (續)

於本財政年度內，本集團參照獨立專業估值師邦盟匯駿評估有限公司所進行之估值，重新評估無形資產之可回收金額，並釐定無形資產之賬面值超過可回收金額，已確認無形資產之減值虧損約7,425,000港元。電子商貿平台及特許權之可回收金額乃根據使用價值計算而釐定。該計算採用根據管理層所批准之五年期財政預算計算之現金流量預測，及參照Ibbotson Associates刊發之「Risk Premia over Time Report: 2006」按市場風險溢價調整之電子商貿平台及特許權之折現率分別為每年15.7%及14.3%（二零零五年：23%）。超過五年期之現金流量乃採用電子商貿平台及特許權之穩定增長率分別為每年2%及3%進行推斷。此增長率並不會超過無形資產經營所在市場之長期平均增長率。管理層相信，鑑於本公司以往於整合及解決方案服務行業之經驗，此增長乃屬合理可行。管理層亦相信，根據可回收金額作出之主要假設之日後任何可能之合理調整將不會引致總面值超過該等無形資產之可回收總額。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

19. GOODWILL

The Group

Carrying values:

At 31 March 2006 and
31 March 2007

賬面值：

於二零零六年三月三十一日
及二零零七年三月三十一日

On 31 March 2006, the Group acquired 20% equity interest of Kenfair Technology Limited from its minority shareholders at a consideration of HK\$5,520,000.

Impairment test for goodwill

Goodwill is allocated to the group's intangible assets, the e-commerce platform. During the year under review, the directors of the Company reassessed the recoverable amount of the goodwill with reference to the valuation performed by BMI Appraisals Limited, an independent professional valuers and determined that no impairment loss on goodwill associated with the e-commerce platform was identified.

The recoverable amount of the goodwill is determined based on a value-in-use calculation. The calculation used cash flow projections based on the financial budgets approved by management covering a 5-year period and a discount rate of 15.7% per annum with reference to Risk Premia over Time Report: 2006 published by Ibbotson Associates (2005: 23%) adjusted by market risk premiums. Cash flows beyond the five-year period have been extrapolated using a steady 2% per annum growth rate. This growth rate does not exceed the long term average growth rate for the market in which the e-commerce platform operates. Management believes that any reasonably possible future changes in the key assumptions on which recoverable amount are based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this Goodwill.

19. 商譽

本集團

HK\$'000

千港元

920

於二零零六年三月三十一日，本集團以代價5,520,000港元自其少數股東收購Kenfair Technology Limited之20%股權。

商譽減值測試

商譽乃分配至本集團之無形資產電子商貿平台。於回顧年度內，本公司董事參照邦盟匯駿評估有限公司（一家獨立專業估值師）進行之估值，重估商譽之可回收金額，並釐定並無確認有關電子商貿平台之商譽之減值虧損。

商譽之可回收金額乃根據使用價值計算而釐定。該計算採用根據管理層所批准之五年期財政預算計算之現金流量預測，及參照Ibbotson Associates刊發之「Risk Premia over Time Report: 2006」按市場風險溢價調整之折現率每年15.7%（二零零五年：23%）。超過五年期之現金流量乃採用穩定增長率每年2%進行推斷。此增長率並不會超過電子商貿平台經營所在市場之長期平均增長率。管理層相信，根據可回收金額作出之主要假設之日後任何可能之合理調整將不會引致總面值超過該等無形資產之可回收總額。

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

20. 可供銷售財務資產

		The Group 本集團		The Company 本公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Equity securities listed in Hong Kong At fair value (Note a)	於香港上市之股本證券 按公平值 (附註a)	34,690	16,052	30,100	13,892
Unlisted financial assets outside Hong Kong (Note b)	於香港境外之非上市 財務資產 (附註b)				
At cost	按成本值	9,434	9,434	—	—
Exchange realignment	匯率調整	230	87	—	—
Less: Provision for impairment	減：減值準備	(9,064)	(6,706)	—	—
Exercise of the option (Note 21)	行使購股權 (附註21)	(600)	—	—	—
		—	2,815	—	—
		34,690	18,867	30,100	13,892

Notes:

- (a) The fair value is based on the market price at year end as quoted by the Stock Exchange of Hong Kong Limited.
- (b) The unlisted financial asset represents the cost paid by the Group for an option to acquire an equity interest of a private company incorporated in the PRC. On 24 June 2003, the Company entered into an agreement (the "Option Agreement") with a limited company (the "Independent Third Party") incorporated in the PRC which, together with its beneficial owner, are independent of and not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them, pursuant to which the Independent Third Party has agreed to grant an option (the "Option") to the Company for the Company to acquire up to but not exceeding 90% equity interest in 北京建發京城會展有限公司 ("Beijing Kenfair Capital Exhibition Company Limited", for identification purpose only), a PRC company subsequently set up on 29 September 2003 in the PRC with limited liability and commenced its business on 12 November 2003. On 24 June 2003, the Company also entered into an agreement (the "Undertaking Agreement", together with the Option Agreement, the "Agreements") with the Independent Third Party pursuant to which the Independent Third Party has given warranties and undertakings to the Company. Pursuant to the Agreements, the Company paid an amount of HK\$9,434,000 which was equivalent to RMB10,000,000 as consideration to the Independent Third Party for the grant of Option. The identity of the Independent Third Party is disclosed as CITIC Trust & Investment Co., Ltd. ("CITIC Trust"), which is a wholly-owned subsidiary of China International Trust and Investment Corporation ("CITIC"), a state-owned enterprise.

附註：

- (a) 公平值乃根據香港聯合交易所有限公司所報之於年結日之市價計算。
- (b) 非上市財務資產指本集團就購入一間於中國註冊成立之私人公司股權之購股權而支付之成本。於二零零三年六月二十四日，本公司與一間於中國註冊成立之有限公司（「獨立第三方」）訂立一項協議（「購股權協議」）。獨立第三方與其實益擁有人為本公司或其任何附屬公司之董事、主要行政人員或主要股東或彼等之任何聯繫人士之獨立人士，亦與彼等概無關連。據此，獨立第三方已同意向本公司授出購股權（「購股權」），以收購北京建發京城會展有限公司（一間隨後於二零零三年九月二十九日在中國成立之中國有限公司並於二零零三年十一月十二日開展其業務）最多但不超過90%股本權益。於二零零三年六月二十四日，本公司亦與獨立第三方訂立一項協議（「承諾協議」，連同購股權協議，統稱「該等協議」），據此，獨立第三方已向本公司作出保證及承諾。根據該等協議，本公司就獲授購股權而向獨立第三方支付款項9,434,000港元（相當於人民幣10,000,000元）作為代價。已披露獨立第三方為國有企業中國國際信托投資公司（「中信投資」）之全資附屬公司中信信托投資有限責任公司（「中信信托」）。

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Notes: (continued)

(b) (continued)

The cost paid for the option is measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

During the financial year, the Group reassessed the recoverable amount of the option by using the discounted cash flow valuation, and determined that the option was impaired by approximately HK\$2,358,000 (2006: HK\$3,604,000), the Company served a written notice to CITIC Trust to exercise the Option in whole and on 16 March 2007, Kenfair (Beijing) Exhibition Company Limited, a wholly-owned subsidiary of the Company, entered into the transfer agreement with CITIC Trust and Beijing Green Pioneer to transfer their respective 70% and 20% equity interest in Beijing Kenfair Capital Exhibition Company Limited to Kenfair (Beijing) Exhibition Company Limited (the "Transfer Agreement") of which the completion shall take place upon obtaining approval from relevant regulatory authorities in the PRC and internal approval of the parties to the Transfer Agreement. Details of the exercise of the Option are set out in the Company's announcement dated 20 March 2007.

21. PREPAYMENTS FOR ACQUISITION OF A SUBSIDIARY

The Company served a written notice to CITIC Trust to exercise the Option in whole and on 16 March 2007, Kenfair (Beijing) Exhibition Company Limited, a wholly-owned subsidiary of the Company, entered into the Transfer Agreement with CITIC Trust and Beijing Green Pioneer to transfer their respective 70% and 20% equity interest in Beijing Kenfair Capital Exhibition Company Limited to Kenfair (Beijing) Exhibition Company Limited. The completion date of the Transfer Agreement shall take place upon obtaining approval from relevant regulatory authorities in the PRC and internal approval of the parties to the Transfer Agreement. Details of the exercise of the Option are set out in the Company's announcement dated 20 March 2007.

On 16 March 2007, Kenfair (Beijing) Exhibition Company Limited also entered into the sale and purchase agreement with CITIC Trust to acquire the remaining 10% equity interest in Beijing Kenfair Capital Exhibition Company Limited with a consideration of RMB 212,447 which is equivalent to approximately HK\$214,593 which has been determined with reference to the net asset value of Beijing Kenfair Capital Exhibition Company Limited as at 31 July 2006. Details of the acquisition are set out in the Company's announcement dated 20 March 2007.

20. 可供銷售財務資產 (續)

附註：(續)

(b) (續)

於各結算日，就購股權支付之成本乃按成本減去減值計量，原因是合理公平估計之範圍太重大，以致本公司董事認為公平值無法可靠計量。

於本財政年度內，本集團使用折現現金流量估值重新評估購股權之可回收金額，並釐定購股權減值約2,358,000港元(二零零六年：3,604,000港元)。本公司向中信信託發出通知書以悉數行使購股權，而於二零零七年三月十六日，本公司之全資附屬公司建發(北京)會展有限公司與中信信託及北京綠先鋒訂立轉讓協議，以將中信信託與北京綠先鋒各自於北京建發京城會展有限公司的70%及20%股本權益轉讓予建發(北京)會展有限公司(「轉讓協議」)，而完成將於獲得中國有關監管機關之批准及轉讓協議訂約方之內部批准時發生。有關行使購股權之詳情載於本公司二零零七年三月二十日之公佈內。

21. 收購一間附屬公司之預付款項

本公司向中信信託發出通知書以悉數行使購股權，而於二零零七年三月十六日，本公司之全資附屬公司建發(北京)會展有限公司與中信信託及北京綠先鋒訂立轉讓協議，以將中信信託與北京綠先鋒各自於北京建發京城會展有限公司的70%及20%股本權益轉讓予建發(北京)會展有限公司(「轉讓協議」)。轉讓協議之完成日期須待取得中國相關監管機關之批准及轉讓協議訂約方之內部批准後發生。有關行使購股權之詳情載於本公司二零零七年三月二十日之公佈內。

於二零零七年三月十六日，建發(北京)會展有限公司亦與中信信託訂立買賣協議，以收購於北京建發京城會展有限公司之餘下10%股本權益，代價經參考北京建發京城會展有限公司於二零零六年七月三十一日之資產淨值後釐定為人民幣212,447元(約相等於214,593港元)。有關收購之詳情載於本公司二零零七年三月二十日之公佈內。

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22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公平值計入損益賬之財務資產

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Equity securities:	股本證券：				
Listed in Hong Kong at market value	於香港上市，按市值	-	15,962	-	9,426

At 31 March 2007, the Group has not had any financial assets at fair value through profit or loss of which the carrying amount exceeds 10% of the total assets of the Group (2006: 17.44% ordinary shares of Cosmopolitan International Holdings Limited (SEHK: stock code: 120)).

於二零零七年三月三十一日，本集團並無任何賬面值超過本集團資產總值10%之按公平值計入損益賬之財務資產(二零零六年：四海國際集團有限公司(聯交所股分代號：120)之17.44%普通股)。

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cash at banks and on hand	銀行及手頭現金	15,442	39,493	25	25
Time deposit	定期存款	21,795	20,972	-	-
Cash and cash equivalents	現金及現金等值項目	37,237	60,465	25	25

The time deposit of the Group carries interest rate of 4.15% (2006:3.8%) per annum and these deposits has an average maturity of 15 days (2006: from 8 days).

本集團之定期存款按年利率4.15%(二零零六年：3.8%)計息，而該等存款之平均到期日為15日(二零零六年：由8日起計)。

The directors of the Company consider that the carrying amount of the Group's and the Company's cash and cash equivalents approximates to their fair values.

本公司董事認為，本集團及本公司之現金及現金等值項目之賬面值與其公平值相近。

24. PLEDGED BANK DEPOSITS

At 31 March 2007, the Group's bank deposits amounted to USD407,000 which is approximately equivalent to HK\$3,175,000 (2006: HK\$2,866,000) have been pledged to a bank for general banking facility of EUR 245,000 (2006:EUR 245,000) relating to the lease of an overseas exhibition venue.

24. 已抵押銀行存款

於二零零七年三月三十一日，本集團之銀行存款為數407,000美元(約相等於3,175,000港元)(二零零六年：2,866,000港元)已就有關租賃海外展覽場地之一般銀行信貸245,000歐元(二零零六年：245,000歐元)而抵押予銀行。

The Company did not pledge any of its assets as at year end (2006: Nil).

於年結日，本公司並無抵押其任何資產(二零零六年：無)。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

25. SHARE CAPITAL

25. 股本

		2007		2006	
		Number of shares 股份數目 '000 千股	Amount 總額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 總額 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	1,000,000	10,000	1,000,000	10,000
Issued:	已發行：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	235,452	2,355	235,452	2,355

A summary of the movements in the Company's issued share capital is as follow:

本公司已發行股本之變動概述如下：

			Number of shares in issue 已發行股份 數目 '000 千股	Issued share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份 溢價賬 HK\$'000 千港元	Total 合計 HK\$'000 千港元
		Note 附註				
At 1 April 2005	於二零零五年四月一日	(i)	215,916	2,159	64,902	67,061
Issue of share from exercise of warrants	因行使認股權證而發行股份		19,536	196	24,615	24,811
At 31 March 2006, 1 April 2006 and at 31 March 2007	於二零零六年三月三十一日、 二零零六年四月一日及 於二零零七年三月三十一日		235,452	2,355	89,517	91,872

Note:

附註：

- (i) During the year ended 31 March 2006, 19,536,000 warrants were exercised for 19,536,000 shares of HK\$0.01 each at a subscription price of HK\$0.69.
- (ii) During the year ended 31 March 2007, no warrants of the Group had been issued. No warrants were outstanding as at 31 March 2007 and 2006.

- (i) 於截至二零零六年三月三十一日止年度內，19,536,000份認股權證因獲行使而按每股0.69港元之認購價格發行19,536,000股每股面值0.01港元之股份。
- (ii) 於截至二零零七年三月三十一日止年度內，本集團並無發行認股權證。於二零零七年及二零零六年三月三十一日，並無認股權證尚未行使。

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statements of changes in equity on page 48 of the financial statements.

26. 儲備

(a) 本集團

本集團在年內及上年度之儲備及變動款額在財務報表第48頁之綜合權益變動表內呈列。

		Consolidation reserve	Warrant reserve	Exchange reserve	Available- for-sale financial assets fair value reserve	Total
		綜合儲備	認股權證儲備	匯兌儲備	可供銷售 財務資產 公平值儲備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2005	於二零零五年四月一日	-	22,996	-	(1,427)	21,569
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之 公平值收益	-	-	-	127	127
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	未於損益賬確認之換算 海外附屬公司產生之 匯兌差額	-	-	163	-	163
Net income recognised directly in equity	直接於權益中確認之 收入淨額	-	-	163	127	290
Fair value adjustment of e-commerce platform arising from consolidation of a wholly-owned subsidiary	因合併一間全資附屬公司而 產生之電子商貿平台 公平值調整	8,975	-	-	-	8,975
Issue of shares from exercise of warrants	因行使認股權證而發行股份	-	(11,331)	-	-	(11,331)
Warrant reserve transferred to retained profits upon expiry of warrants	認股權證到期時認股權證 儲備撥入保留溢利	-	(11,665)	-	-	(11,665)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	8,975	-	163	(1,300)	7,838
Exchange differences on translation of overseas subsidiaries not recognised in the income statement	未於損益賬確認之換算 海外附屬公司產生之 匯兌差額	-	-	(163)	-	(163)
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之公平值 收益	-	-	-	18,639	18,639
At 31 March 2007	於二零零七年三月三十一日	8,975	-	-	17,339	26,314

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. RESERVES (continued)

(b) The Company

26. 儲備(續)

(b) 本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Warrant reserve 認股權證儲備 HK\$'000 千港元	Retained profits/ (Accumulated losses) 保留溢利/ (累計虧損) HK\$'000 千港元	Available- for-sale financial assets fair value reserve 可供銷售 財務資產 公平值儲備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	64,902	7,076	22,996	5,488	(1,237)	99,225
Issue of shares from exercise of warrants	因行使認股權證而發行股份	24,615	-	(11,331)	-	-	13,284
Net loss for the year	年內虧損淨額	-	-	-	(29,290)	-	(29,290)
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之公平值收益	-	-	-	-	92	92
2006 interim dividend	二零零六年中期股息	-	-	-	(11,773)	-	(11,773)
Warrant reserve transferred to retained profits upon expiry of warrant	認股權證到期時認股權證儲備 撥入保留溢利	-	-	(11,665)	11,665	-	-
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及 二零零六年四月一日	89,517	7,076	-	(23,910)	(1,145)	71,538
Share premium transferred to retained profits	股份溢價撥入 保留溢利	(66,000)	-	-	66,000	-	-
Net loss for the year	年內虧損淨額	-	-	-	(45,560)	-	(45,560)
Fair value gains in respect of available-for-sale financial assets	可供銷售財務資產之公平值 收益	-	-	-	-	16,208	16,208
2007 interim dividend	二零零七年中期股息	-	-	-	(11,773)	-	(11,773)
At 31 March 2007	於二零零七年三月三十一日	23,517	7,076	-	(15,243)	15,063	30,413

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財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

26. RESERVES (continued)

(b) The Company (continued)

i) Contributed surplus

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Group reorganisation during the year ended 31 March 2002, over the nominal value of the Company's shares issued in exchange therefore and the capitalisation of the 30,000,000 shares allotted and issued nil paid. Under the Companies Law (2001 Second Revision) of the Cayman Islands, the contributed surplus account is distributable to the shareholders of the Company under certain circumstances.

ii) Warrant reserve

On 17 October 2003, the Company entered into a conditional placing and underwriting agreement with Ping An Securities Limited to issue 43,160,000 warrants at a price of HK\$0.58 per warrant for cash consideration by way of a private placement. Each warrant entitles the holder to subscribe for one ordinary share of the Company at an initial subscription price of HK\$0.69 per share (subject to adjustment) from the date of issue to 2 December 2005. Any ordinary shares falling to be issued upon the exercise of the subscription right to the warrants will rank pari passu in all respects with the existing fully paid ordinary shares in issue of the Company on the relevant subscription date. During the year Ended 31 March 2006, 19,536,000 warrants were exercised for 19,536,000 share of HK\$0.01 each at HK\$0.69 per share. The remaining warrants of 23,508,000 were expired on 2 December 2005. As such, the balance of warrant reserve of approximately HK\$11,665,000 was transferred to retained profits upon the expiry of warrants.

26. 儲備

(b) 本公司(續)

i) 繳入盈餘

本公司之繳入盈餘指根據於截至二零零二年三月三十一日止年度內進行之集團重組而購入之附屬公司股份之公平值，高出作為換取該等附屬公司股份而發行之本公司股份面值之差額及資本化所配發及發行之30,000,000股未繳股款股份。根據開曼群島公司法(二零零一年第二次修訂版)，本公司可在若干情況下以繳入盈餘賬內之款項向其股東作出分派。

ii) 認股權證儲備

於二零零三年十月十七日，本公司與平安證券有限公司訂立一項有條件配售及包銷協議，以按每份認股權證0.58港元之價格私人配售以現金代價發行之43,160,000份認股權證。每份認股權證賦予其持有人權利由發行日期起至二零零五年十二月二日止按初步認購價每股0.69港元(可予調整)認價1股本公司普通股股份。因行使認股權證所附之認購權而須予發行之任何普通股股份於各方面將與本公司於有關認購日期之現有已發行及繳足股份享有同等權益。於截至二零零六年三月三十一日止年度內，19,536,000份認股權證因獲行使而按每股0.69港元之價格發行19,536,000股每股面值0.01港元之股份。餘下23,508,000份認股權證已於二零零五年十二月二日到期。因此，認股權證儲備之結存約11,665,000港元乃於認股權證到期時撥入保留溢利。

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27. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and/or rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any executives and full time employees of the Company, including all executive directors of the Company and its subsidiaries. The Scheme became effective on 10 April 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share option in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their subsidiaries, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

27. 購股權計劃

本公司設有一項購股權計劃（「該計劃」），藉以向對本集團業務成功作出貢獻之合資格參與者給予鼓勵及／或回報。該計劃之合資格參與者包括本公司任何行政人員及全職僱員（包括本公司及其任何附屬公司之所有執行董事）。該計劃於二零零二年四月十日起生效，除非以其他方式取消或修訂該計劃，否則該計劃自該日起計十年內保持有效。

根據該計劃現時獲准授出而尚未行使之購股權所涉及之最高股份數目相等於其行使時本公司於任何時間已發行股份之10%。該計劃各合資格參與者於任何12個月期間內根據購股權可獲發行之最高股份數目以本公司任何時間已發行股份之1%為限。凡進一步授出超逾此限額之購股權，必須於股東大會上獲股東批准。

凡向本公司董事、主要行政人員或主要股東或彼等之任何聯繫人士授出購股權，必須事先取得獨立非執行董事之批准。此外，凡於任何12個月期間內向本公司或其任何附屬公司之主要股東或獨立非執行董事授出任何購股權，而有關數額超逾本公司任何時間已發行股份之0.1%或總值（根據授出日期本公司股份之價格計算）超過5,000,000港元，必須事先於股東大會上獲得股東批准。

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For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

27. SHARE OPTION SCHEME (continued)

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted would be determined by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options would be determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options, which must be a business day; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer, provided that the subscription price shall not be lower than the nominal value of the shares.

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

27. 購股權計劃(續)

授出購股權之建議可於提出建議日期起計28日內接納，承授人須支付合共1港元之象徵式代價。所授購股權之行使期乃由董事釐定，並於若干歸屬期後方會開始，且最遲須於購股權建議提出日期起計五年或該計劃屆滿日期(倘為較早者)當日結束。

購股權之行使價由董事釐定，惟不得低於(i)本公司股份於購股權建議提出日期(必須為營業日)在聯交所之收市價；及(ii)本公司股份於緊接建議提出日期前五個交易日在聯交所之平均收市價兩者中較高者，惟認購價不得低於股份面值。

授予僱員之購股權之公平值連同資本儲備內之相應增加乃於權益內確認為一項僱員成本。該公平值乃於授出日期經計及購股權獲授出時之條款及條件後計量。倘僱員須於無條件享有購股權之前履行歸屬條件，則購股權之估計公平值總額乃經計及購股權將會歸屬之可能性後按歸屬期限予以攤分。

於歸屬期內，會檢討預期歸屬之購股權數目。於過往年度確認之累計公平值之任何調整乃扣自／計入有關檢討年度之損益賬，除非原有僱員支出連同資本儲備之相應增加可確認一項資產則作別論。於歸屬日，確認為一項支出之款額乃予以調整，以反映歸屬之實際購股權數目(連同資本儲備之相應調整)，惟倘沒收僅因未達致與本公司股份之市價有關之歸屬條件則除外。股本款額乃於資本儲備中確認直至購股權獲行使(當其撥至股份溢價賬時)或購股權屆滿(當其直接扣自保留溢利時)為止。

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27. SHARE OPTION SCHEME (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the year, there was no option granted by the Company and the Company had no options outstanding as at 31 March 2007 and up to the date of approval of these financial statements.

28. CONTINGENT LIABILITIES

The Group and the Company had no significant contingent liabilities at the balance sheet date (2006: Nil).

29. MAJOR NON-CASH TRANSACTIONS

For the year ended 31 March 2007, the Group had the following major non-cash transactions:

- (i) On 16 September 2006, the Company has reduced the share premium account by an amount of HK\$66,000,000 be transferred to the retained earnings account of the Company to eliminate the accumulated losses of the Company as at 31 March 2006.

For the year ended 31 March 2006, the Group had the following major non-cash transactions:

- (i) On 31 March 2006, the Group acquired 20% equity interest of Kenfair Technology Limited from its minority shareholders at a consideration of HK\$5,520,000. The purchase consideration was satisfied by certain of the Group's financial assets at fair value through profit or loss with a carrying amount of HK\$5,520,000.

27. 購股權計劃(續)

購股權之持有人無權收取股息或在股東大會上投票。

年內，本公司概無授出任何購股權，而於二零零七年三月三十一日及截至本財務報表批准日期止，本公司亦無任何尚未行使之購股權。

28. 或然負債

本集團及本公司於結算日並無任何重大或然負債(二零零六年：無)。

29. 主要非現金交易

截至二零零七年三月三十一日止年度，本集團有下列主要非現金交易：

- (i) 於二零零六年九月十六日，本公司透過將66,000,000港元之金額撥入本公司之保留盈利賬而削減股份溢價賬，以抵銷本公司於二零零六年三月三十一日之累積虧損。

截至二零零六年三月三十一日止年度，本集團有下列主要非現金交易：

- (i) 於二零零六年三月三十一日，本集團以代價5,520,000港元自其少數股東收購Kenfair Technology Limited股本之20%股權。購買代價乃以賬面值為5,520,000港元之本集團若干按公平值計入損益賬之財務資產支付。

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30. BUSINESS COMBINATIONS

On 31 March 2006, the Group acquired 20% equity interest of Kenfair Technology Limited from its minority shareholders at a consideration of HK\$5,520,000. Kenfair Technology Limited was a 80% owned subsidiary of the Group prior to the acquisition.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	購買代價
Fair value of net assets acquired:	所收購資產淨值之公平值：
Intangible assets	無形資產
Cash and bank balances	現金及銀行結餘
Amounts due to group companies	應付集團公司之款項
Tax payable	應付稅項
Deferred revenue	遞延收益
Goodwill	商譽

30. 業務合併

於二零零六年三月三十一日，本集團以代價5,520,000港元自其少數股東收購Kenfair Technology Limited之20%股權。Kenfair Technology Limited乃於收購前為本集團擁有80%權益之附屬公司。

所收購資產淨值及商譽之詳情如下：

2007 HK\$'000 千港元	2006 HK\$'000 千港元
—	5,520
—	5,520
—	529
—	(343)
—	(826)
—	(280)
—	4,600
—	920

31. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and exhibition venues under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to three years and the leases for exhibition venues are negotiated according to the exhibition periods, normally less than one week.

At 31 March 2007, the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and buildings falling due as follows:

31. 經營租賃安排

本集團根據經營租賃安排租用若干辦公室物業及展覽場地。辦公室物業之租賃期經協商定出，年期由一至三年不等，而展覽場地之租賃期則按照展覽期而定，一般為少於一星期。

於二零零七年三月三十一日，本集團根據不可撤銷之土地及樓宇經營租約而須於下列期限內支付之未來最低租約付款總額如下：

		The Group 本集團		The Company 本公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Within One year	一年內	23,030	14,849	4,145	7,633
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	23,923	3,255	—	—
		46,953	18,104	4,145	7,633

The Company did not have significant operating lease arrangements at the balance sheet date (2006: Nil).

於結算日，本公司並無重大經營租賃安排(二零零六年：無)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

32. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, during the year ended 31 March 2007, the Group had entered into the following material related party transactions.

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 to the financial statements is as follow:

Short term employee benefits	短期僱員福利
MPF Contribution	強積金供款

Total remuneration is included in "Staff costs" (Note 7).

33. SUBSEQUENT EVENTS

In accordance with the Company's announcement on 26 April 2007 and the circular dated 14 May 2007, the Group entered into a sale and purchase agreement to dispose of a property for a consideration of HK\$8,986,250 on 25 April 2007. The disposal of the property was completed on 19 July 2007.

On 27 June 2007, the Company announced that it proposed to raise approximately HK\$11.77 million, before expenses, by issuing 117,726,000 new shares to qualifying shareholders on the basis of one offer share for every two shares held on the Record Date at a price of HK\$0.10 per offer share payable in full on acceptance. The Subscription of the Offer Share is expected to be completed on the early of August 2007 and for the purpose of raising fund for future development of the core exhibition business. The Company will issue 117,726,000 shares at a price of HK\$0.10 per share. The Company will receive net proceeds of approximately HK\$10,180,000. Details of the open offer are set out in the Company's prospectus dated 19 July 2007.

34. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2007.

32. 重大關連人士交易

除於本財務報表其他地方披露之交易及結餘外，於截至二零零七年三月三十一日止年度內，本公司已訂立下列重大關連人士交易。

(a) 主要管理人員酬金

主要管理人員之酬金(包括如財務報表附註9披露之已付予本公司董事之款額)如下：

The Group 本集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元
16,600	20,304
120	120
16,720	20,424

酬金總額乃包括在「員工成本」(附註7)內。


33. 結算日後事項

按照本公司二零零七年四月二十六日之公佈及二零零七年五月十四日之通函，本集團於二零零七年四月二十五日訂立買賣協議，以出售一項物業，代價為8,986,250港元。該物業已於二零零七年七月十九日完成出售。

於二零零七年六月二十七日，本公司宣佈，其建議按每股發售股份0.10港元之價格(須於接納時繳足)發行117,726,000股新股份予合資格股東，籌集約11,770,000港元，基準為於記錄日期每持有兩股股份獲配發一股發售股份。發售股份預期將於二零零七年八月初完成認購，並用作日後發展核心展覽會業務資金。本公司將按每股0.10港元之價格發行117,726,000股股份。本公司將可籌得所得款項淨額約10,180,000港元。有關公開發售之詳情載於本公司二零零七年七月十九日之章程內。

34. 授權刊發財務報表

本財務報表已由董事會於二零零七年七月二十五日批准及授權刊發。



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