

## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層論述及分析

### FINANCIAL REVIEW

For the year ended 31st December, 2003, the turnover of the Group was approximately HK\$13.0 million, representing a decrease of approximately 83.0% as compared to last year. The loss from operations and loss attributable to shareholders of the Group for the year ended 31st December, 2003 was HK\$14.4 million and HK\$198.0 million respectively (2002: profit from operations of HK\$28.9 million and profit attributable to shareholders of HK\$20.4 million). The decreases in turnover and results were mainly attributable to the decline in the number of visitors to SammyLand and the de-consolidation of a former subsidiary during the year.

### OPERATION REVIEW

The Group's principal activity is engaged in the carnival amusement business and prior to its cessation, used to operate a theme park in the PRC under the name of SammyLand.

#### Admission fee

During the year ended 31st December, 2003, the total income from admission fee was dropped by approximately 83.5% from approximately HK\$70.8 million in last year to approximately HK\$11.7 million.

#### Sales of food, beverages and souvenirs

During the year ended 31st December, 2003, the total sales of food, beverages and souvenirs was dropped by approximately 77.5% from approximately HK\$3.8 million in last year to approximately HK\$855,000.

#### Mechanical rides, carnivals and redemption games

During the year ended 31st December, 2003, the total income from mechanical rides, carnival and redemption games was dropped by approximately 71.9% from approximately HK\$1.7 million in last year to approximately HK\$477,000.

#### Cessation of operation in SammyLand

The operations of SammyLand has since 8th May, 2004 ceased and for the reasons stated in the section of "Managing Director's Statement", the Company has lost effective control over SammyLand leading to the de-consolidation of the accounts of SammyLand from the Group's accounts since 1st July, 2003. Further details relating to this matter are set out in the section of "Managing Director's Statement".

### 財務回顧

於截至二零零三年十二月三十一日止年度，本集團之營業額約為13,000,000港元，較去年減少約83.0%。本集團於截至二零零三年十二月三十一日止年度之經營虧損及股東應佔虧損分別為14,400,000港元及198,000,000港元（二零零二年：經營溢利28,900,000港元及股東應佔溢利20,400,000港元）。營業額及業績減少之主要因為年內森美反斗樂園遊客數目下降及不再綜合一間前附屬公司所致。

### 營運回顧

本集團之主要業務為嘉年華會娛樂業務，於其終止前，曾於中國經營名為森美反斗樂園之主題公園。

#### 入場費

於截至二零零三年十二月三十一日止年度，來自入場費之總收入由去年約70,800,000港元下跌至約11,700,000港元，跌幅約83.5%。

#### 銷售食物、飲品及紀念品

於截至二零零三年十二月三十一日止年度，食物、飲品及紀念品之銷售總額由去年約3,800,000港元下跌至約855,000港元，跌幅約為77.5%。

#### 機動遊戲、嘉年華會與攤位遊戲

於截至二零零三年十二月三十一日止年度，機動遊戲、嘉年華會及攤位遊戲之總收入由去年約1,700,000港元下跌至約477,000港元，跌幅約71.9%。

#### 終止森美反斗樂園業務

森美反斗樂園業務自二零零四年五月八日起已經終止，由於「董事總經理報告」一節所述之原因，本公司失去對森美反斗樂園之實際控制權，致使本集團自二零零三年七月一日起於其綜合賬目內解除計算森美反斗樂園之賬目。有關該事項之進一步詳情，載於「董事總經理報告」一節。

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL LITIGATION

The Company was served of a high court writ by a design company, an independent third party. The claim is in respect of design services fees allegedly under a service agreement entered into by the Company and the design company. The claim was in respect of approximately HK\$408,000, together with interest and legal costs. The Company believes that it has good ground to defend this claim.

Save as described above, the Group had not involved in any material litigation or arbitration in 2003.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers and loans from its controlling shareholder.

As at 31st December, 2003, the Group had net current assets of HK\$31.5 million (2002: 3.1 million). As at 31st December, 2003, the Group's cash and bank balances amounted to HK\$Nil (2002: HK\$17.6 million). As at 31st December, 2003, the Group had interest-bearing loan of approximately HK\$3.5 million (2002: HK\$18.7 million). The loan was unsecured, bearing interest at 8% per annum and was repayable from April 2003 by instalments. Subsequently, the interest-bearing loan has been assigned to the Company's controlling shareholder. The Group's borrowings are made in Renminbi and Hong Kong dollar.

As at 31st December, 2003, the Group's gearing ratio represented by bank borrowings and interest-bearing loans bearing to the Group's total assets was 5.0% (2002: 9.8%).

Details of the movements in the authorized and issue share capital of the Company during the year ended 31st December, 2003 are set out in note 19 to the financial statements.

Subsequent to the year end of 2003, the Group has obtained bank loans of approximately HK\$50 million to finance its carnival business and general working capital. In addition, Puregain Assets Limited, the controlling shareholder has provided a financial support to the Group to enable it to meet in full its financial obligations.

## 管理層論述及分析

### 重大訴訟

本公司遭一間身為獨立第三方之設計公司入稟高等法院，就被指稱與本公司及該設計公司訂立之服務協議有關之設計服務費提出申索，涉及金額連同利息及法律費用約為408,000港元。本公司相信有充份理由提出抗辯。

除上述者外，本集團於二零零三年並無牽涉任何重大訴訟或仲裁。

### 流動資金及財務資源

本集團之營運資金一般來自內部產生之資源、其往來銀行提供之銀行融資及其控股股東提供之貸款。

於二零零三年十二月三十一日，本集團之流動資產淨值為31,500,000港元（二零零二年：3,100,000港元）。於二零零三年十二月三十一日，本集團之現金及銀行結餘為零港元（二零零二年：17,600,000港元）。於二零零三年十二月三十一日，本集團有付息貸款約3,500,000港元（二零零二年：18,700,000港元）。該貸款無抵押、年息8厘，由二零零三年四月起分期償還。此後，該筆付息貸款已轉讓予本公司控股股東。本集團之借款均按人民幣及港元結算。

於二零零三年十二月三十一日，本集團之負債資產比率指銀行借貸及計息貸款佔本集團總資產之比例，為5.0%（二零零二年：9.8%）。

本公司於截至二零零三年十二月三十一日止年度之法定及已發行股本變動詳情，載於財務報表附註19。

於二零零三年年底後，本集團取得銀行貸款約50,000,000港元，撥作嘉年華會業務之所需資金及一般營運資金。此外，控股股東Puregain Assets Limited為本集團提供財務支持，以便本集團完全履行其財務承擔。

## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層論述及分析

### PROSPECTS

There had been many successful itinerant carnivals taken place in Hong Kong and the PRC, where each itinerant carnival was attended by over 1 million visitors over a typical carnival event period of between 30 and 60 days. The Directors have considered that the financial requirements to operate and manage itinerant carnivals would provide maximum flexibility to suit the financial capacity of the Group because the carnival could be varied in size and form depending on the site size and availability of funding. In addition, the equipment for itinerant carnivals could be leased with flexible arrangements such as low basic rental with a sharing of income. The first carnival is in Dalian, the PRC for about 30 – 45 days with soft opening on 4th September, 2004 and the Group scheduled to launch its second carnival in Guangzhou in November 2004. Other cities such as Shanghai and Beijing are being considered as attractive and suitable locations for further carnivals. The Directors believe that itinerant carnivals in cities in the PRC would provide the Group with solid business and good prospect.

### NEW MANAGEMENT

The Group has since March 2004 been under the new stewardship of Mr. Chan Chak Mo, the current managing Director of the Group. The current management team has been undertaking various tasks to re-vitalise the business the business of the Group, including but not limited to, review of the Group's current business and re-establishment of principal business office. Further details relating to the works undertaken by the current management are set out in the section of "Managing Director's Statement".

### CHARGES ON GROUP ASSETS

As at 31st December, 2003, the Group did not have any charges on assets (2002: HK\$12.6 million).

### CONTINGENT LIABILITIES

As at 31st December, 2003, the Group had contingent liabilities of approximately HK\$408,000 (2002: Nil).

### CURRENCY EXPOSURE

As at 31st December, 2003, the Group did not have any outstanding hedging instrument. The Group should continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

### 前景

香港與中國過去曾舉辦多次成功之巡迴嘉年華會，每場於30至60日之活動期間均吸引逾1,000,000遊客。董事認為由於嘉年華會之規模及形式因應場地大小及資金情況而各有不同，故經營及管理巡迴嘉年華之財政要求極具彈性，符合本集團之財政能力。此外，巡迴嘉年華會之設備可以低基本租金並攤分收入等彈性安排租賃。本集團首場嘉年華會將於中國大連舉行為期30日至45日，由二零零四年九月四日起試業，本集團並計劃於二零零四年十一月於廣州舉辦第二場嘉年華會。同時，上海及北京等城市亦為舉辦嘉年華會之合適地點。董事相信於中國各城市舉辦嘉年華會將為本集團帶來穩固之業績及可觀之前景。

### 新管理層

自二零零四年三月起，本集團由現時之董事總經理陳澤武先生管理。現時之管理層隊伍已進行多項工作，以重振本集團業務，包括但不限於審查本集團目前業務及重建總辦事處。有關現時管理層所做工作之進一步詳情載於「董事總經理報告」一節。

### 本集團資產之抵押

於二零零三年十二月三十一日，本集團並無任何資產抵押（二零零二年：12,600,000港元）。

### 或然負債

於二零零三年十二月三十一日，本集團有或然負債約408,000港元（二零零二年：無）。

### 貨幣風險

於二零零三年十二月三十一日，本集團並無任何尚未償還之對沖工具。本集團將繼續緊密監察其外幣風險及要求，並在必要時作出對沖安排。

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES

As at 31st December 2003, the Group employed a total of 3 full-time staff in Hong Kong. Since its takeover of the Group in March 2004, the current management has re-established the Group's management team. As at 23rd August, 2004, the Group employed a total of 37 full-time staff and 400 part-time staff in Hong Kong and China. The remuneration policies are reviewed on a periodical basis by the current management.

The share option scheme of the Company approved by its shareholders on 13th June, 2002 and adopted on the same date is valid and effective for a period of 10 years since the date of adoption. No share options have been granted since adoption of the said share option scheme.

Details of the retirement benefits schemes of the Group are set out in note 25 to the financial statements.

### FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years is set out on page 48.

### RESUMPTION PROPOSAL

Trading in the Company's shares has been suspended on the Main Board of the Stock Exchange since 15th December, 2003 at the request of the Company. An application for resumption of trading would be made to the Stock Exchange in due course.

## 管理層論述及分析

### 僱員

於二零零三年十二月三十一日，本集團於香港聘用合共3名全職員工。於二零零四年三月接管本集團後，現時之管理層已重新設立本集團之管理層隊伍。於二零零四年八月二十三日，本集團於香港及中國聘用合共37名全職員工及400名兼職員工。現時之管理層會定期檢討薪酬制度。

由本公司股東於二零零二年六月十三日批准之本公司購股權計劃於同日獲採納，自採納日期起有效及生效，為期十年。自購股權計劃獲採納後，並無授出任何購股權。

本集團之退休福利計劃詳情載於財務報表附註25。

### 五年財務摘要

本集團於過往五個財政年度之綜合業績以及資產及負債之摘要載於第48頁。

### 恢復建議

應本公司請求，本公司股份於二零零三年十二月十五日起暫停在聯交所主板買賣。本公司會於適當時候向聯交所申請恢復股份買賣。