

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

FINANCIAL REVIEW

For the year ended 31 December 2006, the turnover of the Group was approximately HK\$16.0 million, representing a decrease of approximately 14% as compared to those of last year (2005: HK\$18.6 million). Turnover of the Group was mostly derived from the carnivals held in Nanhu and Shaoguan, PRC. The decrease in turnover was mainly attributable to the decrease of income derived from the carnival business. The profit from operations of the Group for the year ended 31 December 2006 was HK\$1.0 million (2005: loss from operations of HK\$33.0 million). The loss attributable to shareholders of the Group for the year ended 31 December 2006 was HK\$6.3 million, representing a decrease of approximately 62% as compared to those of last year (2005: HK\$16.7 million). The decrease of loss was mainly attributable to reduction of operating expenses during the year.

OPERATION REVIEW

The Group's principal activity is in the carnival amusement business.

During the year ended 31 December 2006, the Group operated two moving carnivals in Nanhu and Shaoguan, the PRC. Nanhu carnival was operated for 40 days from 1 January 2006 to 9 February 2006 and Shaoguan carnival was operated for 248 days from 29 April 2006 to 31 December 2006. During that year, the total income before sales tax from the Group's carnivals including admission fee, rides, games stalls and sponsorship was HK\$16.7 million, representing a decrease of 16% as compared to those of last year of HK\$19.8 million. The Group's food and beverages business generated approximately HK\$253,000. During that year, the number of visitors of Nanhu and Shaoguan carnivals were 35,000 and 203,000. Details of the Group's operation review is set out in the chairman's statement in this report.

MATERIAL LITIGATION

As at 31 December 2006, the Group had not been involved in any material litigation or arbitration (2005: Nil).

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.

財務回顧

於截至二零零六年十二月三十一日止年度，本集團之營業額約為16,000,000港元（二零零五年：18,600,000港元），較去年減少約14%。本集團大部份營業額源自在中國南湖及韶關舉行之嘉年華會。營業額減少之主要原因為來自嘉年華會業務之收入減少，本集團截至二零零六年十二月三十一日止年度之經營溢利為1,000,000港元（二零零五年：經營虧損33,000,000港元）。本集團於截至二零零六年十二月三十一日止年度之股東應佔虧損為6,300,000港元（二零零五年：16,700,000港元），分別較去年減少約62%。虧損減少之主要原因為年內經營費用減少所致。

營運回顧

本集團之主要業務為嘉年華會業務。

於截至二零零六年十二月三十一日止年度，本集團在中國南湖及韶關經營兩個流動嘉年華會。南湖嘉年華會為期40日，由二零零六年一月一日至二零零六年二月九日止，而韶關嘉年華會則為期248日，由二零零六年四月二十九日至二零零六年十二月三十一日止。年內，來自本集團嘉年華會之除銷售稅前總收入包括入場費、機動遊戲、攤位遊戲及贊助，為數16,700,000港元，較去年之19,800,000港元減少16%。本集團之食物及飲品業務產生約253,000港元之收入。年內，南湖及韶關嘉年華會之入場人數分別為35,000人次及203,000人次，有關本集團營運回顧之詳情載於本報告之主席報告內。

重大訴訟

於二零零六年十二月三十一日，本集團並無牽涉任何重大訴訟或仲裁（二零零五年：無）。

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。

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LIQUIDITY AND FINANCIAL RESOURCES – *continued*

As at 31 December 2006, the Group had net current assets of HK\$58.6 million (2005: 63.5 million). As at 31 December 2006, the Group's cash and bank balances and bank overdrafts amounted to HK\$1.1 million (2005: HK\$641,000) and HK\$4.4 million (2005: Nil) respectively. The managing director and the effective controlling shareholder of the Company, Mr. Chan has provided personal guarantee to secure the bank overdrafts.

As at 31 December 2006, the Group had interest-bearing loan of approximately HK\$86.0 million (2005: HK\$74.6 million). The interest-bearing loan represented a director's loan which was unsecured, interest bearing at 3% per annum and without fixed repayment terms. As at 31 December 2006, the Group had bank loans of approximately HK\$42.0 million (2005: 51.9 million), which were interest bearing at the range from 8.5% to 9.25% per annum and were repayable from November 2004 by instalments. Mr. Chan has also pledged Company's shares, to secure these bank loans. The Group's borrowings are made in Hong Kong dollars. Puregain Assets Limited, a company wholly owned by Mr. Chan, is the controlling shareholder where Mr. Chan has provided financial support to the Group to enable it to meet in full its financial obligations.

As at 31 December 2006, the Group's gearing ratio represented by bank borrowings and interest-bearing loan bearing to the Group's total assets was 127% (2005: 122%).

Details of the movements in the authorized and issue share capital of the Company during the year ended 31 December 2006 are set out in note 27 to the financial statements.

CAPITAL EXPENDITURES

For the year ended 31 December 2006, the Group's capital expenditures were approximately HK\$5.4 million (2005: HK\$1.5 million).

CHARGES ON GROUP ASSETS

As at 31 December 2006, the Group did not have any charges on assets (2005: Nil).

流動資金及財務資源一續

於二零零六年十二月三十一日，本集團之流動資產淨值為58,600,000港元（二零零五年：63,500,000港元）。於二零零六年十二月三十一日，本集團之現金及銀行結餘以及銀行透支分別為1,100,000港元（二零零五年：641,000港元）及4,400,000港元（二零零五年：零）。董事總經理及本公司實際控股股東陳先生已提供個人擔保作為銀行透支之抵押。

於二零零六年十二月三十一日，本集團有附息貸款約86,000,000港元（二零零五年：74,600,000港元）。該筆附息貸款包括一名股東之貸款，乃無抵押、按年率3厘計息及無固定還款期。於二零零六年十二月三十一日，本集團有銀行貸款約42,000,000港元（二零零五年：51,900,000港元），乃按介乎8.5厘至9.25厘之年率計息，並須由二零零四年十一月起分期償還。陳先生已抵押本公司股份以獲得該等銀行貸款。本集團之借貸以港元為單位。陳先生全資擁有公司Puregain Assets Limited為控股股東，陳先生透付該公司向本集團提供財務支援，致使本集團可於可見將來悉數支付到期財務責任。

於二零零六年十二月三十一日，本集團之負債比率指銀行借貸及計息貸款佔本集團總資產之比例，為127%（二零零五年：122%）。

本公司於截至二零零六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27。

資本開支

於截至二零零六年十二月三十一日止年度，本集團之資本開支約為5,400,000港元（二零零五年：1,500,000港元）。

本集團資產抵押

於二零零六年十二月三十一日，本集團並無任何資產抵押（二零零五年：無）。

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CONTINGENT LIABILITIES

As at 31 December 2006, the Group did not have any contingent liabilities (2005: Nil).

CURRENCY EXPOSURE

As at 31 December 2006, 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.

CHANGES IN THE GROUP'S COMPOSITION

During that financial year, the Company set up Guangzhou Funmania Nature Park Company Limited in China for the purpose of carrying its amusement park business.

EMPLOYEES

As at 31 December 2006, the Group employed a total of 7 full-time staff in Hong Kong (2005: 7) and 30 full-time staff in PRC (2005: 51). During the two carnivals in Nanhu and Shaoguan carnival, the Group employed over 390 temporary staff in 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 13 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 option has been granted since adoption of the said share option scheme.

Details of the retirement benefits schemes of the Group are set out in note 4(k) 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 76.

或然負債

於二零零六年十二月三十一日，本集團並無任何或然負債（二零零五年：無）。

貨幣風險

於二零零六年十二月三十一日，本集團並無任何尚未償還之對沖工具。本集團將繼續密切監察其外幣風險及需求，並在必要時作出對沖安排。

本集團成員公司變動

年內，本公司於中國成立廣州澤灝農業生態園有限公司以經營嘉年華會業務。

僱員

於二零零六年十二月三十一日，本集團分別在香港聘用7名（二零零五年：7名）及在中國聘用30名（二零零五年：51名）全職員工。於南湖及韶關舉行兩個嘉年華會期間，本集團於中國僱用超過390名臨時員工。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4(k)。

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76頁。