



# FUTURE BRIGHT

HOLDINGS LIMITED 佳景集團有限公司\*  
(Incorporated in Bermuda with limited liability)  
Stock Code:703



Interim Report  
*2008*

\*For identification purposes only

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Chan See Kit, Johnny (*Chairman*)  
Mr. Chan Chak Mo (*Managing Director*)  
Mr. Lai King Hung (*Deputy Chairman*)  
Ms. Leong In Ian  
Mr. Cheung Hon Kit \*  
Mr. Yu Kam Yuen Lincoln \*  
Mr. Chan Shek Wah \*  
Mr. Chan Pak Cheong Afonso \*

\* *Independent non-executive director*

## AUDIT COMMITTEE

Mr. Cheung Hon Kit  
Mr. Chan Shek Wah  
Mr. Chan Pak Cheong Afonso

## REMUNERATION COMMITTEE

Mr. Cheung Hon Kit  
Mr. Chan Shek Wah  
Mr. Chan Pak Cheong Afonso

## COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Leung Hon Fai

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1409, West Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

## AUDITOR

BDO McCabe Lo Limited  
*Certified Public Accountants*

## PRINCIPAL BANKER

Bank of China  
Seng Heng Bank  
The Hongkong and Shanghai Banking  
Corporation Limited

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Hong Kong

## PRINCIPAL REGISTRAR AND AGENT IN BERMUDA

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## LEGAL ADVISERS

as to Hong Kong Law:  
Iu Lai & Li solicitors

as to Bermuda Law:  
Conyers Dill & Pearman

as to Mainland China Law:  
Wang Jing & Co.

as to Macau Law:  
Goncalves Pereira, Rato, Ling, Vong &  
Cunha-Advogados

WEBSITE  
[www.fb.com.hk](http://www.fb.com.hk)

STOCK CODE  
703 (ordinary shares)

## CHAIRMAN'S STATEMENT

The board of directors (the "Directors") of Future Bright Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 (the "Period") together with the unaudited comparative figures for the corresponding period in 2007.

The Period witnessed a rapid development of the Group's food and beverage business while the Group's carnival amusement park business sustained a considerable downturn due to severe competition and inclement weather. With its expanded food and beverage business, the Group achieved a total turnover of over HK\$77.1 million during the Period with a solid food and beverage management team well-established in Macau. The Group's food and beverage business has during the Period generated strong cash flow to the Group. During the Period, the staff cost increased substantially, turnover from carnival amusement business were adversely affected, but the Group's unaudited consolidated net profit before the expenses for employee share option was about HK\$6.2 million.

### OPERATIONS REVIEW

#### Food and Beverage Business

The Group has during the Period been operating five restaurants in prime locations in Macau with three at Lisboa Hotel and two at Venetian Macau Grand Canal Shoppes. The performance of all these restaurants was quite encouraging and contributed approximately HK\$77.1 million turnover to the Group, representing the bulk of the Group's turnover during the Period. The Group's food and beverage business continued to expand steadily during the Period to capture the strong tourism industries in Macau. With more restaurants opened and to be opened soon, the Group has incurred considerable expenses to recruit and build up its food and beverage management team, while its depreciation and amortization have increased considerably. The staff cost for the Period was already more than the total staff cost for the whole of last financial year of 2007. The Group now has an experienced management team and staffs of 294 people working in its food and beverage business in Macau. On 12 September 2008, our Macau company, FB Group Enterprises Management Co. Ltd. was awarded of "The Best Brand Enterprise Award – Certificate of Merit" by Hong Kong Productivity Council.

#### Carnival and Amusement Park Business

The Group's carnival and amusement park business was subject to keen competition and inclement weather during the Period, contributing very little to the Group's turnover. The management has since late last year been finding ways to tackle the decline of the Group's carnival amusement park business, without success. In June 2008, with City government of Shaoguan requesting to re-possess the carnival site of the Group's carnival in Shaoguan, the Group's carnival has as previously announced been closed down by late last August. And all the amusement rides have recently been re-located to the Group's amusement park in Panyu. And there has been little progress in the development of Panyu's nature park section due to delay in various design and construction approvals from local authorities.

# CHAIRMAN'S STATEMENT

## OUTLOOK

The Group has subsequent to the Period set up a new Japanese food court and a new Shanghainese Fusion food restaurant both at Venetian Macau Grand Canal Shoppes. The former has commenced its operations on 8 September 2008 while the latter will start to operate by the end of this year. The Group is also looking for opportunities to obtain other food franchises in Mainland China to enable the Group to diversify its income in its food and beverage business.

The management expects that the Group's food and beverage business would continue to be the main contributor of the Group's total turnover, while the Group's carnival amusement park business would continue to become an insignificant contributor. The Group has been approached by other amusement operators for rental of the Group's amusement rides in Mainland China, and the management is closely considering if such option is more favorable and beneficial to the Group, in light of the keen competition and unpredictable climate change in the Mainland China.

The Directors and management are aware of the challenges ahead including the recent global financial crisis, persistent inflationary pressures on global food and energy prices, as well as keen competition in food and beverage business in places where the Group now has and will have operations. The management will continue to expand its food and beverage business very cautiously. At present, the management is still planning to set up new restaurants in Macau next year of 2009. The Directors are confident that the Group's strong food and beverage team would be able to cope with such business expansion.

## **CHAN SEE KIT, JOHNNY**

*Chairman*

Hong Kong

23 September 2008

The Directors is pleased to announce the unaudited consolidated interim results of the Group for the Period, being the six months ended 30 June 2008 together with the unaudited comparative figures for the corresponding period in 2007.

## CHANGE OF NAME

Pursuant to a special resolution passed by the Company's shareholders in the special general meeting held on 11 June 2008, the Company's name was changed from Innovo Leisure Recreation Holdings Limited to Future Bright Holdings Limited. The Company also adopted the Chinese name 佳景集團有限公司 for identification purpose.

## INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007: Nil).

## FINANCIAL REVIEW

The turnover of the Group for the Period was approximately HK\$79.1 million, representing an increase of 4.99 times as compared to the same period of last year of HK\$13.2 million. Turnover of the Group was mainly derived from the restaurant business in Macau with little from carnival business held in Shaoguan and Panyu, China. The profit before income tax expense for the Period was approximately HK\$0.9 million as compared to the same period of last year a loss of HK\$67.4 million. The loss attributable to shareholders of the Group for the Period was HK\$2.6 million, representing a decrease of 96.1% as compared to the same period of last year of HK\$67.5 million. The decrease in loss was mainly attributable to the fact that there were impairments of a trade receivable and an amount due from a former director of HK\$29.3 million and HK\$38.7 million respectively for the same period of last year. The Group's unaudited consolidated net profit before the expenses for employee share option was about HK\$6.2 million.

## OPERATION REVIEW

The Group's food and beverages sales from restaurant business generated HK\$77.1 million during the Period, an increase of 76.1 times as compared to the same period of last year of HK\$1.0 million with the increases in numbers of restaurants and days of operation.

During the Period, the total income from carnival principal activities including admission fee, rides, games stalls and sponsorship was HK\$1.9 million, a decrease of 84.4% as compared to the same period of last year of HK\$12.2 million due to poor weather conditions, keen competition and the decrease in sponsorship income during the Period. As previously announced, the carnival in Shaoguan was eventually closed down. And the development of Panyu's nature park section has been progressing slowly due to the delay in the various design and construction approvals from local authorities. Further details of the Group's operation review are set out in the Chairman statement above.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008, the Group had net current assets of HK\$51.0 million (as at 31 December 2007: HK\$66.0 million). As at 30 June, 2008, the Group's cash and bank balances amounted to HK\$92.4 million (as at 31 December 2007: HK\$85.0 million), in which HK\$2.0 million was pledged to a bank in respect of the guarantee given in lieu of rental deposits (as at 31 December 2007: HK\$3.2 million).

The Group had interest-bearing loan of HK\$40.1 million as at 30 June 2008 (as at 31 December 2007: HK\$47.6 million). The interest-bearing loans comprised a bank loan of HK\$17.9 million which was unsecured, interest bearing at 3.75% per annum and repayable by 60 equal instalments from May 2008, and the balance of HK\$22.2 million represented a convertible note which was unsecured, interest bearing at 3% per annum and repayable on 25 December 2009. The Group's borrowings were made in Hong Kong dollar.

As at 30 June 2008, the Group's gearing ratio represented by convertible note and interest-bearing loans bearing to the Group's total assets was 17.6% (as at 31 December 2007: 21.5%).

## MATERIAL LITIGATION

As at 30 June 2008, the Group had not involved in any material adverse litigation or arbitration (as at 31 December 2007: Nil).

## CHARGES ON GROUP ASSETS

As at 30 June 2008, the Group did not have any charges on assets (as at 31 December 2007: Nil).

## CONTINGENT LIABILITIES

As at 30 June 2008, the Group did not have any contingent liabilities (as at 31 December 2007: Nil).

## CURRENCY EXPOSURE

As at 30 June 2008, the Group did not have any outstanding hedging instrument. The Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

## EMPLOYEES

As at 30 June 2008, the Group employed a total of 353 full time staff in Hong Kong, Macau and China. The remuneration policies are reviewed on a periodical basis by the management.

## DIRECTORS' INTERESTS AND LONG/SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE BONDS

At 30 June 2008, the interests and long/short positions of the Directors and their associates in the shares, underlying shares and convertible bonds of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Hong Kong Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

### Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of ordinary shares held	Percentage of issued share capital of the Company
Mr. Chan Chak Mo ("Mr. Chan")	Beneficial owner (Note a)	285,346,622	61.82%
Mr. Yu Kam Yuen, Lincoln	Beneficial owner	280,200	0.06%

Note a: These shares, representing approximately 61.82% of the issued share capital of the Company, of which 53.72% are held by Mr. Chan, 6.67% are held by Puregain Assets Limited, a company beneficially wholly-owned by Mr. Chan and balance of 1.43% are held by Cash Smart Enterprises Limited, a company beneficially owned as to 50% by Mr. Chan.

Underlying shares of the convertible note of the Company

Name of director	Capacity	Number of underlying shares held	Percentage of issued share capital of the Company
Mr. Chan Chak Mo	Beneficial owner (Note b)	50,000,000	10.83%

Note b: As at 30 June 2008, Victory Gate Investments Limited, a company beneficially wholly-owned by Mr. Chan, was the holder of a convertible note in the principal remaining outstanding amount of HK\$25,000,000 which could be converted upon exercise, into shares of the Company at HK\$0.5 per share, by no later than the close of business on 5 days before 25 December 2009. This constituted a long position in physically settled equity derivatives under the SFO.

Save as disclosed herein, none of the Directors nor their associates had any interests or long / short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2008.

## SHARE OPTIONS

Pursuant to the share option scheme adopted by the Company on 13 June 2002, the Company may grant options to the directors, non-executive directors, suppliers of goods and services, customers, advisors and consultants, shareholders of the Company or any of its subsidiaries for the primary purpose of providing incentives to them, to subscribe for shares in the Company with the payment of HK\$1 per offer. The total number of shares in respect of which options may be granted shall not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any individual in any one year shall not exceed 1% of the issued share capital of the Company. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's issued share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders. The exercise price of the share option will be determined at the higher of the average of closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options; the closing price of the shares on the Stock Exchange on the date of grant; and the nominal value of the shares. The share options are exercisable for a period not later than 10 years from the date of grant.

During the six months ended 30 June 2008, no share options were granted. During the year 2007, 46,160,240 share options had been granted to the Directors and Employees. Details please refer to the Company's 2007 annual report.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed above in respect of certain directors, the Company has not been notified of any other relevant interests or long/short positions in the issued share capital of the Company.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## AUDIT COMMITTEE

The audit committee of the Company (comprising Mr. Cheung Hon Kit, Mr. Chan Pak Cheong Afonso and Mr. Chan Shek Wah, the Independent Non-executive Directors) has reviewed with management the accounting principles and practices adopted by the Group and the unaudited interim financial statements for the Period. The interim results for the Period have been reviewed by BDO McCabe Lo Limited, whose report on review of interim financial information is included in this report.



## CORPORATE GOVERNANCE

The Directors are able to conform that the Company complied with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2008.

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of the Directors, none of the Directors has not complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transaction for the six months ended 30 June 2008.

On behalf of the Board

**Chan Chak Mo**

*Managing Director*

Hong Kong, 23 September 2008

*As at the date hereof, the members of the board of directors of the Company comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman and executive Director, (iii) Mr. Lai King Hung, the deputy Chairman and executive Director, (iv) Ms. Leong In Ian, the executive Director and (v) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln, Mr. Chan Shek Wah and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.*



# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF FUTURE BRIGHT HOLDINGS LIMITED

*(Formerly known as Innovo Leisure Recreation Holdings Limited)*

(佳景集團有限公司)

*(前稱為澤新遊樂控股有限公司)*

*(incorporated in Bermuda with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 28 which comprise the condensed consolidated balance sheet of Future Bright Holdings Limited as of 30 June 2008 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**BDO McCabe Lo Limited**

*Certified Public Accountants*

**Lee Ka Leung, Daniel**

Practising Certificate Number P01220

Hong Kong, 23 September 2008



# CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		<b>01/01/2008</b>	01/01/2007
		<b>to</b>	<b>to</b>
		<b>30/06/2008</b>	30/06/2007
		<b>(Unaudited)</b>	(Unaudited)
Notes		<b>HK\$'000</b>	HK\$'000
Turnover	3	79,068	13,203
Changes in inventories of food and beverage		742	–
Food and beverage consumed		(27,516)	(342)
Other income and gains	5	5,974	3,971
Depreciation of property, plant and equipment		(5,721)	(2,676)
Staff costs		(34,625)	(3,906)
Profit on disposal of property, plant and equipment		911	–
Impairment of property, plant and equipment		(634)	–
Impairment of a trade receivable		–	(29,323)
Other operating expenses		(16,000)	(3,697)
		<b>2,199</b>	(22,770)
Impairment of amount due from a former director		–	(38,682)
Finance income		233	9
Finance costs		(1,297)	(5,981)
Share of results of an associate		(260)	–
Profit/(Loss) before income tax expense		875	(67,424)
Income tax expense	6	(947)	(59)
Net loss for the period		<b>(72)</b>	<b>(67,483)</b>
Attributable to:			
Equity holders of the Company		(2,622)	(67,450)
Minority interests		2,550	(33)
Net loss for the period		<b>(72)</b>	<b>(67,483)</b>
Loss per share			
– Basic (HK cents per share)	8	<b>(0.57)</b>	(94.88)
– Diluted (HK cents per share)	8	<b>(0.27)</b>	(91.20)

# CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

	Notes	30/06/2008 (Unaudited) HK\$'000	31/12/2007 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	9	44,880	43,817
Investment property		3,760	3,760
Goodwill		61,781	61,781
Interest in an associate	10	4,523	170
Total non-current assets		<u>114,944</u>	<u>109,528</u>
<b>Current assets</b>			
Inventories		8,398	7,777
Trade and other receivables	11	12,259	19,547
Cash and cash equivalents		92,471	84,909
Total current assets		<u>113,128</u>	<u>112,233</u>
<b>Current liabilities</b>			
Trade and other payables	12	33,753	29,976
Amount due to a director		7,380	–
Current tax liabilities		17,247	16,300
Bank loans due within one year	13	3,707	–
Total current liabilities		<u>62,087</u>	<u>46,276</u>
<b>Net current assets</b>		<u>51,041</u>	<u>65,957</u>
<b>Total assets less current liabilities</b>		<u>165,985</u>	<u>175,485</u>
<b>Non-current liabilities</b>			
Bank loans due after one year	13	14,161	–
Convertible note	14	22,177	47,618
Total non-current liabilities		<u>36,338</u>	<u>47,618</u>
<b>TOTAL NET ASSETS</b>		<u>129,647</u>	<u>127,867</u>

# CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

		<b>30/06/2008</b>	31/12/2007
		<b>(Unaudited)</b>	(Audited)
	Notes	<b>HK\$'000</b>	HK\$'000
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	15	<b>46,160</b>	46,160
Reserves		<b>83,772</b>	80,400
		<hr/>	<hr/>
Equity attributable to equity holders of the Company		<b>129,932</b>	126,560
<b>Minority interests</b>		<b>(285)</b>	1,307
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>129,647</b>	127,867
		<hr/>	<hr/>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Share capital	Share premium	Special reserve	Capital reserve	Employee share-based compensation reserve	Convertible note equity reserve	Foreign exchange reserve	Accumulated losses	Equity attributable to holders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	Special reserve (Note 1)	Capital reserve (Note 2)	Employee share-based compensation reserve	Convertible note equity reserve (Note 3)	Foreign exchange reserve	Accumulated losses	Equity attributable to holders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008 (audited)	46,160	175,249	34,800	1,342	1,815	4,576	149	(137,531)	126,560	1,307	127,867
Translation differences on overseas operations	-	-	-	-	-	-	24	-	24	-	24
Loss for the period	-	-	-	-	-	-	-	(2,622)	(2,622)	2,550	(72)
Dividends paid to minority interests of subsidiaries	-	-	-	-	-	-	-	-	-	(4,150)	(4,150)
Capital injection in subsidiaries by minority interests	-	-	-	-	-	-	-	-	-	8	8
Employee share-based Compensation benefit	-	-	-	-	6,242	-	-	-	6,242	-	6,242
Partial redemption of convertible note	-	-	-	-	-	(272)	-	-	(272)	-	(272)
<b>At 30 June 2008 (unaudited)</b>	<b>46,160</b>	<b>175,249</b>	<b>34,800</b>	<b>1,342</b>	<b>8,057</b>	<b>4,304</b>	<b>173</b>	<b>(140,153)</b>	<b>129,932</b>	<b>(285)</b>	<b>129,647</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Share capital	Share premium	Special reserve (Note 1)	Capital reserve (Note 2)	Employee share-based compensation reserve	Convertible note equity reserve (Note 3)	Foreign exchange reserve	Accumulated losses	Equity attributable to equity holders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2007 (audited)	6,000	18,197	34,800	1,301	-	-	736	(95,983)	(34,949)	(68)	(35,017)
Translation differences on overseas operations	-	-	-	-	-	-	(598)	-	(598)	-	(598)
Loss for the period	-	-	-	-	-	-	-	(67,450)	(67,450)	(33)	(67,483)
Equity component of convertible note	-	-	-	-	-	4,576	-	-	4,576	-	4,576
Contributed by equity holders for the period	-	-	-	9	-	-	-	-	9	-	9
Issued of new shares											
- on Placing	20,000	80,000	-	-	-	-	-	-	100,000	-	100,000
- on Subscription	4,000	16,000	-	-	-	-	-	-	20,000	-	20,000
- on Capitalisation of shareholder's loan	14,000	56,000	-	-	-	-	-	-	70,000	-	70,000
- on Acquisition of subsidiaries	2,160	8,641	-	-	-	-	-	-	10,801	-	10,801
Expenses incurred in connection with the issued of new shares	-	(3,589)	-	-	-	-	-	-	(3,589)	-	(3,589)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	70	70
At 30 June 2007 (unaudited)	46,160	175,249	34,800	1,310	-	4,576	138	(163,433)	98,800	(31)	98,769

Notes:

1. The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the share capital and share premium of subsidiaries acquired pursuant to a group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in 2002.
2. The capital reserve represents the contribution by the equity holders.
3. The convertible note reserve represents the equity element of convertible note.



# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	01/01/2008 to 30/06/2008 (Unaudited) HK\$'000	01/01/2007 to 30/06/2007 (Unaudited) HK\$'000
<b>Net cash from operating activities</b>	<b>24,399</b>	10,819
<b>Net cash (used in)/ from investing activities</b>	<b>(8,808)</b>	18,455
<b>Net cash (used in)/from financing activities</b>	<b>(5,912)</b>	68,447
Net increase in cash and cash equivalents	9,679	97,721
Cash and cash equivalents at 1 January	81,682	(3,320)
Effect in foreign exchange rate changes	(890)	(767)
Cash and cash equivalents at 30 June	<b>90,471</b>	<b>93,634</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	92,471	93,634
Pledged bank balances	(2,000)	—
	<b>90,471</b>	<b>93,634</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for the investment property, which is measured at fair value.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2007.

In the current period, the Group has applied, for the first time, the following new interpretations issued by the HKICPA which are effective for financial year beginning on 1 January 2008. The adoption of these new interpretations had no material effect on the results and financial position of the Group for the current or prior accounting periods.

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has not yet applied the following new or revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 and HKAS 32 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>2</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>2</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>2</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellation <sup>2</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>3</sup>
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate <sup>2</sup>
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation <sup>4</sup>

<sup>1</sup> Effective from annual periods beginning on or after 1 July 2009.

<sup>2</sup> Effective from annual periods beginning on or after 1 January 2009.

<sup>3</sup> Effective from annual periods beginning on or after 1 July 2008.

<sup>4</sup> Effective from annual periods beginning on or after 1 October 2008.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 3. TURNOVER

Turnover and revenue recognised by category are as follows:

	<b>01/01/2008</b>	01/01/2007
	<b>to</b>	to
	<b>30/06/2008</b>	30/06/2007
	<b>HK\$'000</b>	HK\$'000
Sale of food and beverages	77,247	1,301
Income from operation of carnival amusement parks	1,821	7,274
Advertising income	—	4,628
	<hr/>	<hr/>
	<b>79,068</b>	<b>13,203</b>
	<hr/>	<hr/>

## 4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into two operating divisions – food and beverage, and carnival amusement parks. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Food and beverage – sales of food and beverages in restaurants.
- Carnival amusement parks – sales of tickets, tokens and advertising income.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 4. SEGMENT INFORMATION – continued

For the six months ended 30 June 2008

	<b>Food and beverage (Unaudited) HK\$'000</b>	<b>Carnival amusement parks (Unaudited) HK\$'000</b>	<b>Group (Unaudited) HK\$'000</b>
<b>REVENUE</b>			
Sales	77,144	1,924	79,068
Other income	<u>5,087</u>	<u>887</u>	<u>5,974</u>
Total revenue	<u><u>82,231</u></u>	<u><u>2,811</u></u>	<u><u>85,042</u></u>
<b>RESULTS</b>			
Segment result	<u>12,486</u>	<u>(6,148)</u>	6,338
Unallocated corporate expenses			<u>(4,139)</u>
Share of results of an associate	(260)	–	2,199
Finance income			233
Finance costs			<u>(1,297)</u>
Profit before income tax expense			875
Income tax expense			<u>(947)</u>
Loss for the period			<u>(72)</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 4. SEGMENT INFORMATION – continued

For the six months ended 30 June 2007

	Food and beverage (Unaudited) HK\$'000	Carnival amusement parks (Unaudited) HK\$'000	Group (Unaudited) HK\$'000
<b>REVENUE</b>			
Sales	1,035	12,168	13,203
Other income	<u>15</u>	<u>3,956</u>	<u>3,971</u>
Total revenue	<u><u>1,050</u></u>	<u><u>16,124</u></u>	<u><u>17,174</u></u>
<b>RESULTS</b>			
Segment results	<u>439</u>	<u>9,462</u>	9,901
Impairment of a trade receivable			(29,323)
Unallocated costs			<u>(3,348)</u>
			(22,770)
Impairment of amount due from a former director			(38,682)
Finance income			9
Finance costs			<u>(5,981)</u>
Loss before income tax expense			(67,424)
Income tax expense			<u>(59)</u>
Loss for the period			<u><u>(67,483)</u></u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 5. OTHER INCOME AND GAINS

	<b>01/01/2008</b>	01/01/2007
	<b>to</b>	to
	<b>30/06/2008</b>	30/06/2007
	<b>HK\$'000</b>	HK\$'000
Management and promotion fee income	3,558	–
Guarantee profit income	–	2,908
Exchange gain	1,757	–
Others	<u>659</u>	<u>1,063</u>
	<u><b>5,974</b></u>	<u>3,971</u>

For the period ended 30 June 2007, the guarantee profit income represented the income received from an independent third party in accordance with the profit sharing agreement in relation to the carnival in Shaoguan, China.

## 6. INCOME TAX EXPENSE

	<b>01/01/2008</b>	01/01/2007
	<b>to</b>	to
	<b>30/06/2008</b>	30/06/2007
	<b>HK\$'000</b>	HK\$'000
The amount of taxation in the condensed consolidated income statements represents:		
Current tax – Macau Complementary Income Tax	<u>947</u>	<u>59</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for Hong Kong Profits Tax for the current and previous periods. Overseas tax is calculated at rates applicable in the respective jurisdictions.

PRC Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2007: 33%). No provision for EIT has been made as the PRC subsidiaries have no assessable profits for EIT for the period ended 30 June 2008 and 2007. Macau Complementary Income Tax is calculated at the progressive rates on the estimated assessable profits for the period. The maximum tax rate is 12% for the period ended 30 June 2008 and 2007.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 7. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30.06.2007: Nil).

## 8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the equity holders of the Company is based on the following data:

### (a) Basic loss per share

	<b>01/01/2008</b> to <b>30/06/2008</b> <b>HK\$'000</b>	01/01/2007 to 30/06/2007 HK\$'000
Loss attributable to equity holders	<u>(2,622)</u>	<u>(67,450)</u>
	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>461,602,422</u>	<u>71,093,990</u>
Basic loss per share (HK cents)	<u>(0.57)</u>	<u>(94.88)</u>

### (b) Diluted loss per share

	<b>01/01/2008</b> to <b>30/06/2008</b> <b>HK\$'000</b>	01/01/2007 to 30/06/2007 HK\$'000
Loss attributable to equity holders	<u>(2,622)</u>	<u>(67,450)</u>
Adjustment for interest on convertible note	<u>1,166</u>	<u>44</u>
Loss attributable to equity holders for diluted loss per share	<u>(1,456)</u>	<u>(67,406)</u>
	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>461,602,422</u>	<u>71,093,990</u>
Effect of dilutive potential ordinary shares on – convertible note	<u>74,573,788</u>	<u>2,834,719</u>
Weighted average number of ordinary shares for diluted loss per share	<u>536,176,210</u>	<u>73,928,709</u>
Diluted loss per share (HK cents)	<u>(0.27)</u>	<u>(91.20)</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 8. LOSS PER SHARE – continued

On 26 June 2007, every 10 shares of the Company of HK\$0.01 each was consolidated into 1 share of HK\$0.1 each.

The share options did not have any diluted effect for the period ended 30 June 2008 as the average market price of the Company's ordinary shares during the period was lower than the exercise prices of the share options.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2008, the Group incurred approximately HK\$7,511,000 (1.1.2007 to 30.6.2007: HK\$3,188,000) on acquisition of property, plant and equipment.

## 10. INTEREST IN AN ASSOCIATE

As at 30 June 2008, the balance increased by HK\$4,353,000, which was mainly attributable to the increase in loan to an associate of HK\$4,613,000.

## 11. TRADE AND OTHER RECEIVABLES

	<b>30/06/2008</b>	31/12/2007
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>6,157</b>	17,794
Other receivables	<b>6,102</b>	1,753
	<b>12,259</b>	19,547

The Group's sales to customers are mainly on cash basis. In 2007, the Group granted credit to certain customers for sales of tickets and advertising space with various credit terms.



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 11. TRADE AND OTHER RECEIVABLES – continued

The following is an ageing analysis of trade and other receivables (net of provision for impairment loss) as at the balance sheet date:

	<b>30/06/2008</b>	31/12/2007
	<b>HK\$'000</b>	HK\$'000
Neither past due nor impaired	<u>6,102</u>	<u>1,753</u>
Less than 90 days past due	5,507	9,390
91 to 365 days past due	634	8,404
More than 365 days past due	<u>16</u>	<u>–</u>
Amount past due at balance sheet date but not impaired (Note)	<u>6,157</u>	<u>17,794</u>
Total	<u><b>12,259</b></u>	<u>19,547</u>

Note: The balances that were past due but not impaired related to a number of customers that have good track records of payment.

## 12. TRADE AND OTHER PAYABLES

	<b>30/06/2008</b>	31/12/2007
	<b>HK\$'000</b>	HK\$'000
Trade payables	11,359	10,965
Construction payables	5,022	3,786
Accruals	<u>17,372</u>	<u>15,225</u>
	<u><b>33,753</b></u>	<u>29,976</u>

The following is an ageing analysis of trade payables as at the balance sheet date:

	<b>30/06/2008</b>	31/12/2007
	<b>HK\$'000</b>	HK\$'000
Less than 90 days past due	<u>11,359</u>	<u>10,965</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 13. BANK LOANS

During the six months ended 30 June 2008, the Group obtained bank loans totaling HK\$18,440,000 (1.1.2007 to 30.6.2007: Nil), and repaid bank loans totaling HK\$572,000 (1.1.2007 to 30.6.2007: HK\$42,014,000).

## 14. CONVERTIBLE NOTE

On 26 June 2007, the Company issued a Hong Kong dollar denominated convertible note with a principal amount of HK\$51,308,000 (the "Convertible Note"). The holder of the Convertible Note is entitled to convert the principal amount into ordinary shares of the Company at an initial conversion price of HK\$0.5 per share, during the period from 26 June 2007 to 25 December 2009. Unless previously converted, the Company shall repay the Convertible Note on 25 December 2009. Interest of 3% per annum will be paid every 6 months from the date of issue.

The Convertible Note contains two components, liability and equity elements. The equity element is presented in equity heading "convertible note reserve". The effective interest rate of the liability is about 7%.

On 28 March 2008, the convertible note with principal amount of HK\$26,308,000 was redeemed by the Company.

The movement of the liability component of the Convertible Note for the period is set out below:

	HK\$'000
Principal amount	51,308
Equity component	<u>(4,576)</u>
Liability component at date of issue	46,732
Interest charged	1,683
Interest payable	<u>(797)</u>
Liability component as at 31 December 2007 and 1 January 2008 (audited)	47,618
Partial redemption (liability portion)	(26,036)
Interest charged	1,166
Interest payable	<u>(571)</u>
Liability component as at 30 June 2008 (unaudited)	<u>22,177</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 15. SHARE CAPITAL

	Note	Number of shares		Total value	
		30/06/08 (unaudited) '000	31/12/07 (audited) '000	30/06/08 (unaudited) HK\$'000	31/12/07 (audited) HK\$'000
<b>Authorised:</b>					
At the beginning of period/year					
Ordinary shares of HK\$0.1 each (2007: HK\$0.01 each)		<b>1,000,000</b>	3,000,000	<b>100,000</b>	30,000
Share consolidation	(i)	–	(2,700,000)	–	–
Increase in authorised share capital	(ii)	–	700,000	–	70,000
At the end of period/year					
Ordinary shares of HK\$0.1 each		<b>1,000,000</b>	1,000,000	<b>100,000</b>	100,000
<b>Issued and fully paid:</b>					
At the beginning of period/year					
Ordinary shares of HK\$0.1 each (2007: HK\$0.01 each)		<b>461,602</b>	600,000	<b>46,160</b>	6,000
Share consolidation	(i)	–	(540,000)	–	–
Share issued on (ordinary shares of HK\$0.1 each):					
– placing of new shares	(iii)	–	200,000	–	20,000
– subscriptions of new shares	(iv)	–	40,000	–	4,000
– capitalisation of shareholders' loan	(v)	–	140,000	–	14,000
– acquisition of subsidiaries	(vi)	–	21,602	–	2,160
At the end of period/year					
Ordinary shares of HK\$0.1 each		<b>461,602</b>	461,602	<b>46,160</b>	46,160

By a resolution passed in respect of the Company's resumption proposal at the special general meeting of the Company held on 18 June 2007, it was approved, among others, that with effect from 25 June 2007:

- (i) the authorised share capital of the Company was consolidated for every 10 ordinary shares of HK\$0.01 each into one ordinary share of HK\$0.10 each.
- (ii) the Company's authorised share capital was increased to HK\$100,000,000 by the creation of an additional 700,000,000 ordinary shares of HK\$0.10 each. All new shares rank pari passu in all respects with the existing shares of the Company.
- (iii) the Company placed 200,000,000 ordinary shares of HK\$0.10 each at a price of HK\$0.5 to the placing agents.
- (iv) a director, Mr. Chan, subscribed for 40,000,000 ordinary shares of HK\$0.1 each at a price of HK\$0.5 in cash.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 15. SHARE CAPITAL – continued

- (v) the Company capitalised an aggregate of HK\$70,000,000 of the outstanding shareholders' loan due to Mr. Chan by issuing and allotting to him 140,000,000 ordinary shares of HK\$0.10 each at a price of HK\$0.50 per share.
- (vi) the Company issued 21,602,422 ordinary shares of HK\$0.10 each at a total consideration of HK\$10,801,000 as part of the consideration for acquisition of the subsidiaries.

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## 16. RELATED PARTY TRANSACTIONS

- (a) During the six months ended 30 June 2008, the Group entered into the following transactions with related parties:

The Group received management fee income of HK\$3,164,000 (1.1.2007 to 30.6.2007: Nil) from several companies in which a director of the Company is also a director and an ultimate minority shareholder of such companies.

The Group also received promotion fee income of HK\$394,000 (1.1.2007 to 30.6.2007: Nil) from several companies in which a director of the Company is also a director and an ultimate minority shareholder of such companies.

The Group paid laundry expenses of HK\$60,000 (1.1.2007 to 30.6.2007: Nil) to Future Bright Laundry Company Limited in which a director of the Company is also a director and an ultimate minority shareholder of Future Bright Laundry Company Limited.

The Company sold goods of HK\$472,000 (1.1.2007 to 30.6.2007: Nil) to Prosperity Catering Management Limited in which a director of the Company is also a director and an ultimate minority shareholder of Prosperity Catering Management Limited.

- (b) Compensation of key management personnel

The remuneration of directors and other members of key management was as follows:

	30/06/2008 HK\$'000	30/06/2007 HK\$'000
Basic salaries and allowance	4,537	1,732
Retirement scheme contributions	38	26
	<u>4,575</u>	<u>1,758</u>

- (c) Balances with related parties as at 30 June 2008 are set out in the balance sheet of the condensed financial statements.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2008

## 17. OPERATING LEASE COMMITMENTS

The total future of minimum lease payments are due as follows:

	<b>30/06/2008</b>	30/06/2007
	<b>HK\$'000</b>	HK\$'000
Not later than one year	7,429	7,007
Within two to five years	26,893	26,951
Over five years	16,170	17,801
	<b>50,492</b>	51,759

The Group has committed to make future minimum lease commitment in respect of land and buildings rented under non-cancellable operating leases which typically runs for the period from one year to twenty years.

## 18. CAPITAL COMMITMENT

	<b>30/06/2008</b>	31/12/2007
	<b>HK\$'000</b>	HK\$'000
Contracted but not provided for the acquisition of property, plant and equipment	227	5,407

The Company had no outstanding capital commitments as at 30 June 2008 (31.12.2007: Nil).

## 19. CONTINGENT LIABILITIES

At 30 June 2008, the Group did not have any contingent liabilities (31.12.2007: Nil).

## 20. POST BALANCE SHEET EVENT

On 1 July 2008, the Group terminated the profit-sharing agreement in relation to the Shaoguan carnival with the closure of operation of Shaoguan carnival on 30 June 2008. This was attributable to the termination of rental agreement with the City Government of Shaoguan to return the Shaoguan carnival site on 30 June 2008. For details, please refer to the Company's announcement dated 1 July 2008.