

MANAGING DIRECTOR'S STATEMENT

I have pleasure to present to shareholders the 2003 annual report of the Company and its subsidiaries (the "Group").

BUSINESS REVIEW

Theme park operations

As mentioned in the Company's interim report 2003, the Group's theme park in Panyu, the PRC ("SammyLand"), encountered serious decrease in the number of visitors and income. Since then, the situation had not improved due to various reasons, including declining visitor interest in the theme park. The Group's business has sustained further set-back due to the neglect of the previous management team leading to closure of principal business office and the eventual collapse of the management.

On 12th December, 2003, Puregain Assets Limited ("Puregain"), a company wholly and beneficially owned by Mr. Chan Chak Mo, purchased 50.03% of the shares of the Company. As a result of the share purchase and a general offer made afterwards, Puregain now owns an aggregate of 307,962,000 shares of the Company, representing 51.327% of the issued share capital of the Company.

Since taking over the management of the Group in March 2004, the current management team has undertaken various tasks to re-vitalise the business of the Group, including but not limited to, review and re-appraise the Group's current business, address the various outstanding litigations, and re-establishment of its principal business office.

The current management has also discovered that pursuant to a management agreement dated 1st November, 2003 entered into between the Company's wholly owned subsidiary, 番禺飛圖夢幻影城有限公司 Panyu Fantasy Film City Limited ("PCCFL") and 東莞市國威投資顧問有限公司 ("PRC Manager"), PCCFL appointed PRC Manager to organise, supervise and manage SammyLand for a term of 2 years at a monthly management fee of RMB1.5 million with one month rent free period commencing from 1st December, 2003. The PRC Manager terminated the management agreement on 30th April, 2004. The current management had since 1st May, 2004 operated SammyLand until 8th May, 2004.

董事總經理報告

本人欣然向股東提呈本公司及其附屬公司（「本集團」）之二零零三年年報。

業務回顧

主題公園業務

如本公司二零零三年中期報告所述，本集團於中國番禺之主題公園（「森美反斗樂園」）遭遇遊客數目及收入銳減。由於各種原因，包括遊客對主題公園之興趣逐漸減弱，該狀況仍未有改善。由於前屆管理層管理不善，導致主要營業地點倒閉及管理層之最終垮台，本集團之業務再遭打擊。

於二零零三年十二月十二日，Puregain Assets Limited（「Puregain」）（陳澤武先生全資及實益擁有之公司）收購本公司50.03%之股份。由於該股份收購事宜及隨後提出之全面收購建議，Puregain現時擁有本公司合共307,962,000股股份，佔本公司已發行股本之51.327%。

自二零零四年三月接管本集團以來，現時之管理層已採取多項措施，以重振本集團之業務，其中包括（但不限於）審查及重新評估本集團之目前業務，應付各項尚裁決訴訟及重建其總辦事處。

現時之管理層亦發現，根據本公司之全資附屬公司番禺飛圖夢幻影城有限公司（「飛圖夢幻影城」）及東莞市國威投資顧問有限公司（「中國管理人」）於二零零三年十一月一日簽訂之管理協議，飛圖夢幻影城委任中國管理人組織、監督及管理森美反斗樂園，為期兩年，每月管理費為人民幣1,500,000元，自二零零三年十二月一日起計，其中有一個月之免租期。中國管理人已於二零零四年四月三十日終止該管理協議。現時之管理層於二零零四年五月一日起至二零零四年五月八日止期間經營森美反斗樂園。

MANAGING DIRECTOR'S STATEMENT

BUSINESS REVIEW – continued

Theme park operations – continued

Following an application for recovery of the debts by the creditors in the PRC, the Panyu Intermediate Court's appointed officials have since 8th May, 2004 started to stock take all the chattels and properties of PCCFL at SammyLand, all existing personnel have been ordered to leave SammyLand and operations of SammyLand have ceased. The current management had repeatedly tried to negotiate with the creditors with a view of re-opening the operations of SammyLand but without success. In July 2004, four buildings of SammyLand comprising two office buildings, one stable and one staff quarter had been auctioned for sales under the order of the PRC Panyu court for about RMB2.2 million and the proceeds of which had been paid to the PRC Panyu court. Negotiations with the PRC landlord and creditors to re-open the operations of SammyLand were unsuccessful since the legal representative of PCCFL, Mr. Li Tat Ting, could not be located since late December 2003 and some books and records of PCCFL have been missing. The current management has been seeking legal advice in the PRC to remedy the situation and to relocate those missing documents with little progress. Under those circumstances, the Directors had to conclude that the Group had lost effective control over PCCFL. As some financial records of PCCFL have been missing, the Company could not include results of PCCFL since 1st July, 2003. Accordingly, the financial results of PCCFL since 1st July, 2003 have not been included in the Group's income statements for the year ended 31st December, 2003 and their accounts have been de-consolidated from the Group's financial statements since 1st July, 2003.

Carnival operations

The Directors, having reviewed the poor performance of SammyLand, have since March 2004 concluded that the theme park would require regular and heavy investment in order to maintain the public with sufficient new attractions and entertainment to sustain acceptable visitor traffic flow. And the level of investment in order to create and operate these new attractions would impose a substantial financial burden on the Group. A more cost effective way would be to organise a series of itinerant carnivals to diversify the Group's income base.

董事總經理報告

業務回顧 – 續

主題公園業務 – 續

由於中國債權人申請討回債款，番禺中級法院之受委託人員已於二零零四年五月八日開始盤點飛圖夢幻影城於森美反斗樂園之動產及物業，而所有人員已被勒令離開森美反斗樂園。森美反斗樂園之業務已告終止。現時之管理層曾多次與債權人談判，以圖森美反斗樂園重新開業，然而未能成功。於二零零四年七月，根據中國番禺法院之命令，森美反斗樂園之四座建築物（包括兩座辦公大樓、一間馬房及一座員工宿舍）已以人民幣2,200,000元拍賣，所得款項已交給中國番禺法院。由於飛圖夢幻影城之法人代表李達庭先生自二零零三年十二月以來失蹤，同時飛圖夢幻影城之部份賬簿及記錄無法找到，與中國地主及債權人之重開森美反斗樂園之談判未能取得成功。現時之管理層已在中國尋求法律諮詢以作挽救並找回失蹤之文件，但收效甚微。在該等形勢下，董事會不得不斷定，本集團已對飛圖夢幻影城失去實際控制權。由於飛圖夢幻影城之部份財務記錄失蹤，本公司無法提供自二零零三年七月一日以來飛圖夢幻影城之業績。故此，飛圖夢幻影城自二零零三年七月一日以來之財務業績並無包含於本集團截至二零零三年十二月三十一日止年度之收益表內，而彼等之賬目已自二零零三年七月一日以來不包含於本集團之財務報表內。

嘉年華會業務

經審查森美反斗樂園之不良業績之後，董事已自二零零四年三月以來斷定主題公園將需要定期之大筆投資以向公眾提供新吸引點及娛樂，並維持相當之遊客人流。建立及運行這些該等新吸引點之投資將對本集團造成重大經濟負擔。具有更高經濟效益之方法為組織一系列巡迴嘉年華會，以增加本集團之收入渠道。

MANAGING DIRECTOR'S STATEMENT

BUSINESS REVIEW – continued

Carnival operations – continued

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 to 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. To achieve this goal, the Company has since July 2004 successfully established a sino-foreign equity joint venture in the PRC, 上海澤安遊樂有限公司 (Fun Mania Carnival Co. Ltd.) (“FunMania”) with a right to launch and carry out at least 20 carnivals in the PRC for a term of 5 years. The joint venture is 95% held by Metro Asia Limited (“Metro Asia”), a wholly owned subsidiary of the Company and 5% is held by a PRC party. The Company has also appointed an experienced management company to provide management services on the organization, launch, promotion and management of the carnivals. The Group has also already obtained about HK\$50 million bank loans to finance its carnival business.

The first carnival is in Dalian, the PRC for about 30-45 days with soft opening on 4th September, 2004. The Group has rented from amusement ride providers to rent over 20 amusement rides to participate the Dalian carnival. The Group has purchased 9 amusement rides at some HK\$19 million. FunMania has also appointed independent PRC advertising companies to promote the Dalian carnival to procure sponsorships. In addition to the rides, the Dalian carnival will have about 40 games stalls owned and operated by the Group, and about 40 food stalls leasing out to outside operators at a minimum rental with upside 10% revenue sharing. The Group will employ over 400 people at the Dalian carnival upon its grand opening.

OUTLOOK

The Directors believe that the outlook for the carnival operations is promising. The Group has 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.

Chan Chak Mo
Managing Director

Hong Kong, 30th August, 2004

董事總經理報告

業務回顧 – 續

嘉年華會業務 – 續

在香港及中國均曾成功舉行多次巡迴嘉年華會，在為期三十至六十天之典型之嘉年華會期間，每個巡迴嘉年華會均有超過一百萬遊客參加。由於嘉年華會之規模及形式可以根據場地大小及資金規模而變化，董事會認為，經營及管理巡迴嘉年華會之財務要求具有很大之靈活性，可以符合本集團之經濟能力。此外，巡迴嘉年華會之設備可以靈活方式租賃，如低基本租金而收入分成之方式。為實現此目標，本公司已自二零零四年七月於中國成功成立一家中外合資企業—上海澤安遊樂有限公司（「澤安」）。該公司有權在五年期內於中國舉行至少二十次嘉年華會。該合資公司95%之股份由本公司之全資附屬公司盛亞有限公司（「盛亞」）持有，其餘5%由中方持有。本公司同時委任一家富有經驗之管理公司對嘉年華會之組織、舉行、推廣及管理提供管理服務。本集團亦已獲得50,000,000港元之銀行貸款，以為嘉年華會業務提供資金。

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。為參加大連嘉年華會，本集團已向機動遊戲機提供商租賃二十多套機動遊戲機。本集團已購買9台機動遊戲機，總價值約19,000,000港元。澤安已委任獨立之中國廣告公司推廣大連嘉年華會，以取得贊助。除機動遊戲機外，大連嘉年華會將有由本集團擁有及經營之40個遊戲檔，及以最低租金及最高10%收入分成之方式出租給外來經營者之40個食攤。本集團將在大連嘉年華會之盛大開幕式上僱用400多個人。

展望

董事相信，嘉年華會業務之前景良好。本集團已計劃於二零零四年十一月在廣州舉辦第二場嘉年華會。本集團也在考慮其他城市，如上海及北京，作為以後舉辦嘉年華會之有吸引力及合適場所。董事相信在中國各城市舉辦之巡迴嘉年華會將為本集團帶來繁榮業務及良好前景。

董事總經理
陳澤武

香港，二零零四年八月三十日