

CHAIRMAN'S STATEMENT 主席報告

I have pleasure to present to shareholders the 2004 annual report of the Company and its subsidiaries (the "Group").

BUSINESS REVIEW

Carnival operations

The Group has long involved in the moving carnival business ("Carnival Business") as a part of its business in Kunming, China as mentioned in the Company's prospectus dated 31st July, 2002. Since early March 2004, the Group has been actively engaging in the Carnival Business and has deployed, over last 12 months, heavy investments and resources in terms of capital and manpower. The Group has incurred considerable amount of time, manpower and expenses of approximately HK\$69.4 million to operate and secure the equipment and machine rides, game stalls for the Group's Carnival Business. All these assets could be deployed to operate in a fixed location amusement park if the Group chooses to do so when attractive opportunities arise. The Group's Carnival Business has since then become a substantial part of its core business. And the Group's management is now well-equipped with expertise and skills in running and managing moving carnivals and fixed location amusement parks, in all aspects, including crowd management, safety and security control, operation and maintenance of machine rides, token utilization, staff training, food stalls management, operational management, financial skills and weather.

The Group's Dalian moving carnival opened for 27 days from 11th September, 2004 to 10th October, 2004, employing over 400 people. This carnival reported a considerable loss due to principally the delay of the rides to China because of severe weather. However, the Dalian carnival achieved success in terms of attendance of over 142,000 people. It also drew sizeable attraction among the ordinary citizen in Dalian and generated a considerable amount of revenue for the Group. The experience gained through this carnival, including import and transportation of rides to China, safety checks on the rides carried out by various governmental departments in China, engagement of expatriate performers, and negotiation with site owners, all enabling the management of the Group to be more efficient in future moving carnivals in China.

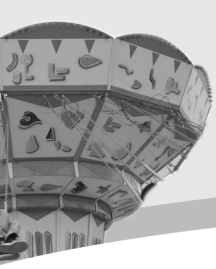
本人欣然向股東提呈本公司及其附屬公司（「本集團」）之二零零四年年報。

業務回顧

嘉年華會業務

誠如本公司日期為二零零二年七月三十一日之售股章程所述，本集團一直在中國昆明從事流動嘉年華會業務（「嘉年華會業務」），此為其業務其中一部分。自二零零四年三月初起，本集團積極從事嘉年華會業務，並於過去12個月投放龐大資金及人力發展此業務。為經營及購置其嘉年華會業務所需設備、機動遊戲設施及遊戲攤位，本集團耗用大量時間及人力，耗資約69,400,000港元。倘出現具吸引力之商機，本集團可連用該等資產於固定地點經營遊樂園。自此，嘉年華會業務成為本集團核心業務重要一環。本集團管理層現具備經營及管理流動嘉年華會及定點遊樂園之各方面專業知識及技術，包括人流管理、安全及保安監控、機動遊戲設施運作及保養、代幣應用、員工培訓、食物攤位管理、營運管理、財務控制及天氣情況。

本集團位於大連之流動嘉年華會於二零零四年九月十一日至二零零四年十月十日期間共開放27日，聘用超過400人。然而，由於天氣惡劣，導致機動遊戲設施送抵中國時出現延誤，該嘉年華會錄得嚴重虧損。儘管如此，大連嘉年華會仍然成功吸引大量大連市民參加，入場人次逾142,000，為本集團帶來可觀收益。透過是次嘉年華會，本集團管理層獲得多方面之寶貴經驗，包括進口及運送機動遊戲設施至中國、中國各政府部門對機動遊戲設施之安全檢查、聘用外籍藝人以及與場地業主磋商。該等經驗有助提升管理層日後在中國舉辦流動嘉年華會時之效率。



BUSINESS REVIEW – continued

Carnival operations – continued

The Group has commenced another moving carnival in Foshan, originally for the period from 9th February, 2005 to 14th March, 2005. The Group has successfully been able to extend the duration of the Foshan carnival further until 15th May, 2005 to capture the Labour Day 7 days holidays. With longer operation duration, better management experience and skills in the operation, and with more constant weather conditions in spring time in Guangdong, together with the customary spring time tours of schools, factories and organizations, and the coming Labour Day 7 days holidays, all these elements should improve the performance of the Foshan carnival. Up to 26th April, 2005, the Foshan carnival has attendance of over 148,000 persons in 76 days. Although the Carnival Business is not of instant profitability, as in all developing businesses, it would require time to attain profitability.

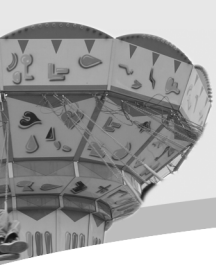
Apart from Foshan, taking into account of weather condition and population size, the Group is now considering an existing amusement park in Guangzhou to run the next moving carnival from early July to late October 2005. The Group is also under negotiation with the owner of such amusement park for a management contract as described below. With the successful running of carnivals in Dalian and Foshan, the Group has been invited by companies in other cities including Tianjing to hold carnivals there.

業務回顧 – 續

嘉年華會業務 – 續

本集團已於佛山舉辦另一個流動嘉年華會，原訂由二零零五年二月九日至二零零五年三月十四日。為把握勞動節七天假期之商機，本集團成功將佛山嘉年華會之期限延至二零零五年五月十五日。鑑於營業期間較長、管理層經驗增加及經營技巧改進、廣東省春季期間天氣較為穩定以及學校、工廠及各種機構習慣於春季舉辦旅行，加上即將來臨之七天勞動節假期，佛山嘉年華會之表現應有所改善。截至二零零五年四月二十六日，佛山嘉年華會開放76日期間已吸引逾148,000人入場。儘管嘉年華會業務未能即時帶來盈利，但猶如所有發展中業務一樣將逐步建立盈利能力。

除佛山外，計及天氣狀況及人口，本集團正考慮於二零零五年七月初至十月底期間，在廣州一個現有遊樂園舉辦流動嘉年華會。本集團亦正與該遊樂園之擁有人進行商討，詳情載於下文。有見於大連及佛山嘉年華會大受歡迎，多家公司紛紛邀請本集團於當地舉辦嘉年華會，包括其他城市如天津。



BUSINESS REVIEW – continued

Fixed location theme park located at Guangzhou

The Group's successful running of carnivals has attracted owners of two theme parks to approach the Group to discuss about business co-operation. The Group has commenced negotiations for business co-operation with the owner of a fixed location amusement park located in Guangzhou. The initial terms of negotiation are a sole management contract for about 10 years under which the Group will bear all its profit and loss for the operations of this park, and the Group will pay a monthly rental and some percentage of turnover sharing to the owner of these parks. The Group believes that there is lesser competition and better chance of success in the operation of a fixed location amusement park, with the closure of the other three major amusement parks in Guangzhou. Both parties are also negotiating for a joint revitalization re-development of this amusement park including upgrade of other facilities and the development of a small resort hotel in this amusement park. Negotiations are in good progress. A letter of intent is expected to be soon reached under which both parties would proceed to negotiate for detailed terms of such arrangement. The Group is well-positioned to capture these business opportunities by locating its equipment and machine rides and manpower to this amusement park in Guangzhou, while the Group will then source for additional amusement rides.

OUTLOOK

The Directors believe that with the established track record of holding and managing the Carnival Business, the Group now has the skills and expertise to manage both the Carnival Business and fixed location amusement parks. The Group would utilize such expertise to develop both its Carnival Business and fixed location amusement park business.

Chan Chak Mo
Chairman and Managing Director
Hong Kong

29th April, 2005

業務回顧 – 續

位於廣州之定點主題公園

本集團成功經營多個嘉年華會，吸引兩個主題公園之擁有人接觸本集團商談業務合作。本集團已與廣州一個定點主題公園之擁有人磋商業務合作。初步磋商條款乃為期約十年之專營管理合約，根據該合約，本集團將承擔經營該公園之所有盈虧，並向公園擁有人支付月租及營業額某百分比之分成。鑑於廣州已有三個主要遊樂園結業，本集團相信在廣州經營定點遊樂園之競爭較少，故成功機會較大。雙方亦正磋商共同翻新重建此主題公園，當中包括於此主題公園內提升其他設施及發展一間小型渡假酒店。有關磋商進度良好，並預期將於短期內訂立意向書，據此，雙方會繼續磋商該項安排之詳細條款。本集團已作好準備，將其設備、機動遊戲設施及員工移師至此個位於廣州之遊樂園，以把握該等商機。同時，本集團將搜羅更多機動遊戲。

展望

董事相信，透過長期持有及管理嘉年華會業務，本集團現時具備管理嘉年華會業務及定點遊樂園之技術及專業知識。本集團將善用該等專業知識發展其嘉年華會業務及定點遊樂園業務。

主席兼董事總經理
陳澤武
香港

二零零五年四月二十九日