

1. GENERAL

Inново Leisure Recreation Holdings Limited (the “Company”) was incorporated in Bermuda as a limited liability company. Its parent and ultimate holding company is Puregain Assets Limited (incorporated in British Virgin Islands). Its registered office and principal place of business is at Room 1409, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in the operation of carnivals amusement parks. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The functional currency of the Company is Hong Kong dollars while the functional currencies of its subsidiaries in the PRC are Renminbi and Hong Kong dollars. The financial statements are presented in Hong Kong dollars for the convenience of the readers.

2. BASIS OF PRESENTATION

As at 31 December 2005, the Group and the Company had net liabilities positions of HK\$30,144,000 and HK\$70,435,000, respectively. Further, for the year ended 31 December 2005, the Group incurred a net loss of HK\$16,729,000 and experienced a net cash outflow of HK\$38,657,000 in operating activities. The financial statements of the Group and the Company have been prepared on a going concern basis on the basis that a controlling substantial shareholder has agreed to provide adequate financial support to enable the Group and the Company to meet in full their financial obligations as they fall due for the foreseeable future. At the same time, however, the Group and the Company are actively seeking other sources of financing.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance.

1. 一般資料

澤新遊樂控股有限公司（「本公司」）於百慕達註冊成立為一間有限公司，其母公司及最終控股公司為在英屬處女群島註冊成立之Puregain Assets Limited。本公司之註冊辦事處及主要營業地點為香港干諾道中200號信德中心1409室。本集團（包括本公司及其附屬公司）專門經營嘉年華會遊樂園業務。本公司之股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司之功能貨幣為港元，而其在中國之附屬公司則以人民幣及港元作為功能貨幣。為方便讀者理解，財務報表以港元呈列。

2. 呈列基準

於二零零五年十二月三十一日，本集團及本公司之淨額負債分別為30,144,000港元及70,435,000港元。此外，於截至二零零五年十二月三十一日止年度，本集團在業務營運上引致淨額虧損16,729,000港元及現金流出淨額38,657,000港元。由於控股股東已同意提供足夠財務支援，以致本集團及本公司可於可預見將來全面履行到期之財務責任，故本集團及本公司之財務報表乃按持續經營基準編製。與此同時，本集團及本公司正積極尋求其他融資途徑。

3. 主要會計政策

(a) 合規聲明

綜合財務報表乃根據香港會計師公會（「會計師公會」）頒佈之一切適用香港財務報告準則（「財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「財務報告準則」）而編製。此外，綜合財務報表載有聯交所證券上市規則及公司條例所規定之披露事項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – continued

(b) Basis of preparation

The financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

In the current year, the Group has applied, for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet, balance sheet and the consolidated statement of changes in equity. The changes in presentation have been applied introspectively.

The applicable HKFRSs are set out below and the 2004 financial statements have been restated in accordance with the relevant requirements, where applicable.

HKAS 1 Presentation of Financial Statements
HKAS 2 Inventories
HKAS 7 Cash Flow Statements
HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10 Events after the Balance Sheet Date
HKAS 12 Income Taxes
HKAS 14 Segment Reporting
HKAS 16 Property, Plant and Equipment
HKAS 17 Leases
HKAS 18 Revenue
HKAS 19 Employee Benefits
HKAS 21 The Effects of Changes in Foreign Exchange Rates
HKAS 23 Borrowing Costs
HKAS 24 Related Party Disclosures
HKAS 27 Consolidated and Separate Financial Statements
HKAS 32 Financial Instruments: Disclosure and Presentation
HKAS 33 Earnings Per share
HKAS 36 Impairment of Assets

3. 主要會計政策 – 續

(b) 編製基準

除若干財務工具按公允價值計量外，財務報表乃按歷史成本基準編製。

於本年度，本集團首次採用多項由會計師公會頒佈之新訂財務報告準則，此等財務報告準則適用於二零零五年一月一日或之後開始之會計期間。採用新訂財務報告準則導致綜合收益表、綜合資產負債表、資產負債表及綜合權益變動報表之呈列形式有所轉變。改變呈列形式乃按追溯基準進行。

適用之財務報告準則詳列於下文，而二零零四年度之財務報表已在適用情況下根據有關規定予以重列。

香港會計準則第1號財務報表之呈列
香港會計準則第2號存貨
香港會計準則第7號現金流量表
香港會計準則第8號會計政策、會計估計之變更及錯誤
香港會計準則第10號資產負債表結算日後事項
香港會計準則第12號所得稅
香港會計準則第14號分部報告
香港會計準則第16號物業、廠房及設備
香港會計準則第17號租賃
香港會計準則第18號收入
香港會計準則第19號僱員福利
香港會計準則第21號外幣匯率變動之影響
香港會計準則第23號借貸成本
香港會計準則第24號關連人士披露
香港會計準則第27號綜合及獨立財務報表
香港會計準則第32號財務工具：披露及呈列
香港會計準則第33號每股盈利
香港會計準則第36號資產減值



3. PRINCIPAL ACCOUNTING POLICIES – *continued*

(b) Basis of preparation – *continued*

HKAS 37 Provisions, Contingent Liabilities and Contingent Assets
HKAS 39 Financial Instruments: Recognition and Measurement
HKFRS 2 Share-based Payments
HKFRS 3 Business Combinations
HKAS-INT 15 Operating Leases – Incentives

The adoption of HKAS 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 24, 27, 33, 36, 37, HKFRS 2,3 and HKAS-INT 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 affects certain presentation in the income statement, balance sheet, and statement of changes in equity.
- HKAS 8, 16 and 21 affect certain disclosures of the financial statements.
- HKAS 2, 7, 10, 12, 14, 17, 18, 19, 23, 27, 33, 36, 37, HKFRS 2,3 and HKAS-INT 15 do not have any impact as the Group's accounting policies already comply with the standards.
- HKAS 24 affects the identification of related parties and the disclosure of related party transactions.

3. 主要會計政策 – 續

(b) 編製基準 – 續

香港會計準則第37號撥備、或然負債及或然資產
香港會計準則第39號財務工具：確認及計量
財務報告準則第2號以股份支付之款項
財務報告準則第3號商業合併
香港會計準則詮釋第15號經營租賃 – 優惠

採納香港會計準則第1、2、7、8、10、12、14、16、17、18、19、21、23、24、27、33、36、37號及財務報告準則第2、3號及香港會計準則詮釋第15號並未導致本集團之會計政策出現重大變動。簡言之：

- 香港會計準則第1號影響收益表、資產負債表及權益變動報表之呈列形式。
- 香港會計準則第8、16及21號影響財務報表之若干披露項目。
- 香港會計準則第2、7、10、12、14、17、18、19、23、27、33、36、37號及財務報告準則第2、3號及香港會計準則詮釋第15號並未產生任何影響，因本集團之會計政策早已符合有關規定。
- 香港會計準則第24號影響關連人士之辨識及涉及關連人士交易之披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – *continued*

(b) Basis of preparation – *continued*

HKAS 32 “Financial Instruments: Disclosure and Presentation”

HKAS 39 “Financial Instruments: Recognition and Measurement”

In the current year, the Group has applied HKAS 32 “Financial Instruments: Disclosure and Presentation” and HKAS 39 “Financial Instruments: Recognition and Measurement”. HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instrument in the financial statements of the Group. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39. This change has had no material effect on the results for the current or prior years.

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of Statement of Standard Accounting Practice 24 “Accounting for Investments in Securities”) in accordance with the requirements of HKAS 39. Financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)”. “Other financial liabilities” are carried at amortised cost using the effective interest method.

3. 主要會計政策 – 續

(b) 編製基準 – 續

香港會計準則第32號「財務工具：披露及呈列」

香港會計準則第39號「財務工具：確認及計量」

在本年度，本集團已應用香港會計準則第32號「財務工具：披露及呈列」及香港會計準則第39號「財務工具：確認及計量」。香港會計準則第32號要求追溯法的應用。香港會計準則第32號之應用對財務工具於本集團財務報表之呈列形式並無重大影響。香港會計準則第39號適用於二零零五年一月一日或之後開始之會計年度，一般不允許以追溯法確認、解除確認或量度財務資產和負債。採用香港會計準則第39號之主要影響摘要如下：

財務資產及財務負債之分類及量度

本集團已就受香港會計準則第39號規管之財務資產及財務負債之分類及計量採用香港會計準則第39號之有關過渡條文。此等變動對本年度或往年度之業績均無重大影響。

債務及股本證券以外之財務資產及財務負債

由二零零五年一月一日起，除債務及股本證券（以往不屬於會計守則第24號「證券投資之列賬形式」之管轄範圍）外，本集團已根據香港會計準則第39號對其財務資產及財務負債作出分類及量度。按香港會計準則第39號，財務資產被分類為「通過利潤或虧損得出公允價值之財務資產」、「待售財務資產」、「貸款及應收款項」或「持有至期滿之財務資產」。財務負債普遍分類為「通過利潤或虧損得出公允價值之財務負債」或「通過利潤或虧損得出公允價值之財務負債以外之財務負債（其他財務負債）」。其他財務負債採用實際利率法按攤銷成本計量。

3. PRINCIPAL ACCOUNTING POLICIES – continued

(b) Basis of preparation – continued

Financial assets and financial liabilities other than debt and equity securities – continued

Prior to the application of HKAS 39, amounts due to directors which were below market interest rate stated at the nominal amount. HKAS 39 requires all financial assets and financial liabilities to be measured at fair value on initial recognition. Such amounts due to directors are measured at amortised cost determined using the effective interest method at subsequent balance sheet dates. The Group has applied the relevant transitional provisions in HKAS 39. As a result of this change in the accounting policy, the carrying amount of the amounts due to directors as at 1 January 2005 has been decreased by HK\$1,588,000 in order to state the amounts at amortised cost in accordance with HKAS 39. The Group's accumulated loss as at 1 January 2005 has been decreased by HK\$1,588,000. Loss for the year has been decreased by HK\$4,894,000 due to the recognition of net imputed interest income which includes finance income of HK\$5,756,000 and finance costs of HK\$862,000.

(c) Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Group as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

3. 主要會計政策 – 續

(b) 編製基準 – 續

債務及股本證券以外之財務資產及財務負債 – 續

於採用香港會計準則第39號之前，低於市場利率之應付董事款項乃按面值列賬。香港會計準則第39號規定所有財務資產及財務負債於首次確認時均須按公允價值計量。於繼後之結算日，該等應付董事款項乃採用實際利率法按攤銷成本計量。本集團已採用香港會計準則第39號之有關過渡條文。由於會計政策出現上述變動，應付董事款項於二零零五年一月一日之賬面值減少1,588,000港元，以便根據香港會計準則第39號按攤銷成本列賬。本集團於二零零五年一月一日之累積虧損減少1,588,000港元。由於確認淨額估算利息收入（包括財務收入5,756,000港元及財務成本862,000港元），本年度虧損減少4,894,000港元。

(c) 綜合基準

當本公司直接或間接有權支配另一實體或企業之財務及營運方針，從而獲得該實業之業務所帶來之利益，則有關實體或企業列作附屬公司。綜合財務報表乃按本集團為單一實體之基準呈列其業績，故集團公司間之交易及結餘均全數對銷。

於進行收購時，有關附屬公司之資產及負債乃按其於收購日期之公允價值計量，少數股東所佔權益乃按少數股東在已確認資產及負債公允價值所佔之比例列賬。

就年內購入或出售之附屬公司而言，其業績乃由收購生效日期起或截止出售生效日期止（視乎情況而定）列入綜合收益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – continued

(c) Basis of consolidation – continued

The Company's interests in subsidiaries are stated at cost less impairment, if any. All significant inter-company transactions and balances among group companies have been eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any identified impairment loss at the balance sheet date.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Depreciation is provided to write off the cost of property, plant and equipment less their estimated residual value, if any, using the straight line method, over their estimated useful lives as follows:

Amusement rides and machines	5 – 8 years
Office fixtures and equipment	2 – 5 years

In previous year, depreciation charged was provided to write off the cost of the amusement rides and machines over the estimated useful lives 5 years or 15 carnivals, whichever, is shorter basis.

3. 主要會計政策 – 續

(c) 綜合基準 – 續

本公司於附屬公司之權益乃按成本減任何減值列賬。集團公司間之一切重大交易及結餘已於綜合賬目時互相對銷。

少數股東權益指外界股東於附屬公司之經營業績及資產淨值所佔之權益。

(d) 物業、廠房及設備

物業、廠房及設備乃按成本減於結算日之折舊及任何已確定之減值虧損列賬。

出售或棄置某項資產所產生之損益為出售所得款項與有關資產賬面值兩者間之差額，撥入綜合收益表確認。

物業、廠房及設備之折舊乃於其如下估計可使用年期內採用直線法撇銷其成本（減估計剩餘價值）：

機動遊戲及遊戲機	5 – 8年
辦公室裝置及設備	2 – 5年

於以往年度，折舊乃於5年或15次嘉年華會（以較短期間為準）之估計可使用年期撇銷機動遊戲及遊戲機之成本。



3. PRINCIPAL ACCOUNTING POLICIES – *continued*

(d) **Property, plant and equipment – *continued***

After detailed review, the directors have revised the estimated useful lives of amusement rides and machines. Accordingly, with effect from 1 January, 2005, the cost of amusement rides and machines is depreciated over the remaining estimated useful lives of 4-7 years on straight line basis. The directors considered that the revised estimated useful lives more appropriately reflects the benefits of the assets will provide in future.

The change in estimated useful lives has resulted in a reduction of deprecation charge by HK\$1,448,000 each year commencing from 1 January 2005 over the remaining estimated useful lives in future.

(e) **Financial instruments**

(i) *Financial assets*

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises the financial assets that have been acquired for the purpose of selling or repurchasing it in the short-term or if so designated by management. This category includes derivatives which are not qualified for hedge accounting. Debt securities and bank deposits with embedded derivatives for yield enhancement whose economic characteristics and risks are not closely related to the host securities and deposits are designated as financial assets at fair value through profit or loss. They are carried in the balance sheet at fair value with changes in fair value recognised in the consolidated income statement.

3. 主要會計政策 – 續

(d) **物業、廠房及設備 – 續**

經詳細檢討後，董事修訂機動遊戲及遊戲機之估計可使用年期。因此，由二零零五年一月一日起，機動遊戲及遊戲機乃於4至7年之剩餘估計可使用年內按直線基準折舊。董事認為經修訂之估計可使用年期更適合反映有關資產未來所帶來之利益。

更改估計可使用年期導致由二零零五年一月一日起每年折舊支出減少1,448,000港元。

(e) **財務工具**

(i) *財務資產*

本集團視乎購入資產之目的將其財務資產列入下列其中一類。本集團就各類財務資產所製訂之會計政策如下：

通過利潤或虧損釐定公允價值：此類別包括旨在於短期內出售或購回而購入或管理層指定之財務資產。此類別包括不符合資格採取對沖會計處理法之衍生工具。所蘊含衍生工具（其經濟特性及風險與其所屬證券及存款並無密切關係）之作用在於加強收益之債務證券及銀行存款列作通過利潤或虧損釐定公允價值之財務資產。該等資產換公允價值列於資產負債表，其公允價值之變動則在綜合收益表確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – continued

(e) Financial instruments – continued

(i) Financial assets – continued

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade and other receivables), but also incorporate other types of contractual monetary asset. At each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method, less any identified impairment losses.

Held-to-maturity investments: These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investment are measured at amortised cost using effective interest rate method, less any identified impairment losses.

Available-for-sale: Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the consolidated income statement. For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

3. 主要會計政策 – 續

(e) 財務工具 – 續

(i) 財務資產 – 續

貸款及應收款項：此等資產為附有固定或可訂定付款數額而並無在活躍市場上提供報價之非衍生財務資產，主要透過向客戶提供貨品及服務而產生（貿易及其他應收款項），但亦涵蓋其他具有合約性之貨幣資產類別。於首次確認後之每個結算日，該等資產採用實際利率法按攤銷成本減任何已確定之減值虧損列賬。

持有至期滿之投資：該等資產為附有固定或可訂定付款數額及有固定年期之非衍生財務資產，而本集團之管理層有意及有能力持有至期滿為止。於首次確認後之每個結算日，持有至期滿之投資採用實際利率法按攤銷成本減任何已確定之減值虧損列賬。

待售資產：不列入上述類別之非衍生財務資產歸類為待售資產，包括本集團對不符合資格成為附屬公司、聯營公司或共同控制實際進行之策略性投資。該等投資以公允價值列賬，而公允價值之變動均直接確認為權益。當待售財務資產之公允價值下跌，即構成減值之客觀證明，虧損額須自權益撤銷，並在綜合收益表中確認。就並無在活躍市場上提供報價且其公允價值無法可靠計量之待售股本投資及與該等無報價股本投資工具掛鉤且必須以該等投資進行結算交收之衍生工具而言，其價值乃於首次確認後之每個結算日按成本減任何已確定之減值虧損列賬。

3. PRINCIPAL ACCOUNTING POLICIES – continued

(e) Financial instruments – continued

(ii) Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were incurred. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises only out-of-the-money derivatives. They are carried in the balance sheet at fair value with changes in fair value recognised in the consolidated income statement.

Other financial liabilities: Other financial liabilities include the following items:

Trade payables and other short-term monetary liabilities, which are recognised at amortised cost.

Bank borrowings, certain preference shares and the debt element of convertible debt issued by the Group are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

(iii) Derecognition

The Group derecognise a financial asset where the contractual rights to the future cash flows in relation to the investment expire or where the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

3. 主要會計政策 – 續

(e) 財務工具 – 續

(ii) 財務負債

本集團視乎引致負債之原因而將其財務負債分為兩個類別其中之一。除符合對沖資格之財務負債外，本集團就各類別所製訂之會計政策如下：

通過利潤或虧損得出公允價值：此類別僅包括價外衍生工具，乃按公允價值列入資產負債表，而公允價值之變動則在綜合收益表中確認。

其他財務負債：其他財務負債包括以下各項：

應付貿易賬款及其他短期貨幣負債乃按攤銷成本確認。

銀行借貸、若干優先股及本集團所發行可換股債券之債項部份於首次確認時乃按墊款金額(扣除任何直接涉及發行有關票據之應計交易成本)列賬。該等計息負債其後採用實際利率法按攤銷成本計量，此舉旨在確保期內之還款利息支出乃根據資產負債表所列剩餘負債按恆常不變之利率計算。「利息支出」在此包括初始交易成本及贖回所需支付之溢價，以及於負債仍未清還期間所需支付之利息或息票。

(iii) 解除確認

倘涉及投資之未來現金流量之合約權利屆滿，或倘財務資產經予以轉讓，而有關轉讓符合香港會計準則第39號之解除確認標準，則本集團可解除確認該項財務資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – *continued*

(f) Impairment of non-financial assets

Impairment tests are undertaken annually on 31 December. Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows). Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the administrative expenses line item in the consolidated income statement, except to the extent they reverse gains previously recognised.

(g) Inventories

Inventories which represent redemption gifts are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

3. 主要會計政策 – 續

(f) 非財務資產減值

減值測試於每年十二月三十一日進行。非財務資產須於出現足以顯示可能無法收回賬面值之事件或轉變時接受減值測試。倘某項資產之賬面值超出其可收回金額（即使用價值與公允價值減銷售成本兩者中之較高值），則該項資產須相應撇減。

倘不可能估計個別資產之可收回金額，則須對該項資產之現金產生單位（即該項資產所屬可分開辨別現金流量之最低層次資產）進行減值測試。商譽於首次確認時分配予本集團屬下各個現金產生單位，期望引致出現商譽之業務合併可發揮協同效應之利。

減值費用列入綜合收益表中行政費用一欄，除非此等費用足以抵銷早前已確認之收益。

(g) 存貨

存貨（指待換領之禮品）初步按成本確認，其後按成本或可變現淨值兩者中之較低值確認。成本包括一切採購成本、轉換成本及將存貨送至現有地點及達致現有狀況所需之其他成本。

日常可隨意交換之項目乃採用加權平均成本法釐定成本。



3. PRINCIPAL ACCOUNTING POLICIES – continued

(h) Revenue recognition

Income from admission fee, mechanical rides and redemption games are recognised when the tickets and tokens are sold to customers.

Advertising income provided within the carnivals are recognised when the services are provided.

Revenue from goods sold, is recognised when the food and beverages are provided.

(i) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes and is accounted for using the balance sheet liability method. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Income taxes are recognised in the consolidated income statement except when they relate to items directly recognised to equity in which case the taxes are also directly recognised in equity.

3. 主要會計政策 – 續

(h) 收入確認

來自入場費、機動遊戲及獎品攤位遊戲之收入乃於向客戶銷售門票及代幣時確認。

在嘉年華會會場提供廣告所得收入乃於提供有關服務時確認。

銷貨收入乃於提供食物及飲品時確認。

(i) 所得稅

本年度之所得稅包括本期稅項及遞延稅項。

本期稅項根據日常業務所產生之損益（已就毋須課所得稅或不獲寬減之項目作出調整）徵收，採用於結算日當日經已生效或實質上經已生效之稅率計算。

由於就財務申報釐定資產及負債之賬面值與報稅所用相應金額之間出現暫時性差異，因而出現遞延稅項，遞延稅項採用資產負債表負債法入賬。除不足以影響入賬或應課稅溢利之已確認資產及負債外，所有暫時性差異均確認為遞延稅項負債。遞延稅項資產只在應課稅溢利可用於抵銷暫時性差異之情況下始予確認。遞延稅項資產按預計於清償負債或變現資產之期間內適用之稅率計量，而所依據之稅率於結算日當日經已生效或實質上經已生效。

所得稅在綜合收益表中確認，惟倘涉及已直接確認為權益之項目，則有關稅項亦直接確認為權益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – continued

(j) Employee benefits

(i) Defined contribution pension plan

The Group operates a Mandatory Provident Fund Scheme (the “Scheme”) for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the Scheme.

Obligations for contributions to defined contribution retirement plan are recognised as an expense in the consolidated income statement as incurred.

(ii) Employee entitlements

Employee entitlements to annual leave and long service payment are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(k) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease.

Rentals payable under operating leases are charged to the consolidated income statement on a straight line basis over the period of the respective leases.

(l) Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the consolidated income statement, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

3. 主要會計政策 – 續

(j) 僱員福利

(i) 定額供款退休金計劃

本集團為其在香港之全體合資格僱員設立強制性公積金計劃(「該計劃」)。該計劃名下資產與本集團名下資產分開處理，交由信託人控制之基金持有。本集團按有關薪金之5%向該計劃供款。

向定額供款退休計劃供款之責任在綜合收益表中確認為一項支出。

(ii) 僱員享有之權利

僱員可享有之年假及長期服務金於僱員獲得有關福利時確認。僱員就截至結算日止所提供服務而可享有年假及長期服務金之估計負債均作出撥備。

僱員可享有之病假及產假於休假時始予確認。

(k) 經營租約

所有權之絕大部份風險及回報仍由出租人保留之租約列作經營租約。

根據經營租約所須支付之租金於個別租約期內按直線基準自綜合收益表扣除。

(l) 外幣

本集團旗下實體以其營業所在主要經濟環境之流通貨幣(「功能貨幣」)以外其他貨幣進行之交易乃按交易當日之匯率入賬。以外幣為單位之貨幣資產及負債按結算日之匯率換算。因重新兌換未結算貨幣資產及負債而產生之匯兌差額，即時在綜合收益表中確認，惟符合資格對沖綜合某項海外業務淨額投資之外幣借貸則不在此限。



3. PRINCIPAL ACCOUNTING POLICIES – continued

(l) Foreign currency – continued

On consolidation, the results of operations outside Hong Kong are translated into Hong Kong Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of operations outside Hong Kong, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rate and the results of operations outside Hong Kong at actual rate are recognised directly in equity (the “foreign exchange reserve”). Exchange differences recognised in the consolidated income statement of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the operations concerned are reclassified to the foreign exchange reserve if the item is denominated in the functional currency of the Group or the operations concerned.

(m) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策 – 續

(l) 外幣

於綜合賬目時，香港以外業務之業績按與交易當日匯率相若之匯率兌換為港元。香港以外業務之所有資產及負債（包括因收購有關業務而產生之商譽）按結算日之匯率換算。按期初匯率換算期初資產淨值與按實際匯率換算香港以外業務業績所產生之滙兌差額直接確認為權益（「外滙儲備」）。倘有關項目以本集團或有關海外業務之功能貨幣為單位，因兌換屬於本集團於海外業務之淨額投資之長期貨幣項目而在集團旗下實體之獨立財務報表之綜合收益表中確認之滙兌差額均重新歸類為外滙儲備。

(m) 準備及或然負債

倘負債之限期或數額不確定，但有可能因過去事項導致本集團須承擔法律或推定義務而須付出可合理估計之經濟利益，必須確認負債準備。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出之機會極微，則此項責任會被視作或然負債披露。除非付出機會極微，潛在責任只在會否發生一項或多項未來事件中獲肯定下以或然負債披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES – *continued*

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

(o) Related parties

For the purposes of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

3. 主要會計政策 – 續

(n) 分部報告

分部乃指本集團可區分之部分，包括提供之產品或服務（業務分部）或提供產品或服務之特定經濟環境（地區分部），均受到有別於其他分部之風險及利益所規限。

根據本集團之內部財務申報系統，本集團選擇業務分部資料為主要報告形式，而地區分部資料則為次要報告形式。

分部收益、開支、業績、資產及負債均包括直接劃分入該分部之項目或可合理劃分為該分部之項目。

分部收益、開支、資產及負債乃於集團間結餘及集團間交易作為綜合處理之部分而互相對銷之前釐定，惟集團企業間之有關集團間結餘及交易乃為單一分部。分項間定價乃按給予外間人士之相若條款釐定。

(o) 關連人士

就本財務報表而言，倘本集團有權直接或間接控制另一方或影響另一方之財務或經營決策，或另一方有權直接或間接控制本集團或對本集團之財務及經營決策作出重要的影響，或本集團與另一方均受制於共通之監控下，則被視為關連人士。關連人士可為個別人士（即主要管理人員、主要股東及／或其親屬）或其他實體，包括受本集團關連人士重大影響之實體，而該關連人士可屬個人，及提供福利予本集團僱員之在職福利計劃或某些與本集團關連之實體。



4. POTENTIAL IMPACT ARISING ON THE NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Group has not yet applied the following new HKFRSs that have been issued but are not yet effective:

HKAS 1 Amendment	Capital Disclosures
HKAS 19 Amendment	Actuarial gains and losses, Group plans and disclosures
HKAS 21 Amendment	Net investment in a foreign operation
HKAS 39 Amendment	Cash flows hedge accounting of forecast intragroup transactions
HKAS 39 Amendment	The fair value option
HKAS 39 & HKFRS 4 Amendment	Financial guarantee contracts
HKFRS 6	Exploration for and evaluation of mineral resources
HKFRS 7	Financial instrument: Disclosures
HKFRS – Interpretation 4	Determining whether an arrangement contains a lease
HKFRS – Interpretation 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
HK(IFRIC) – Interpretation 6	Liabilities arising from participating in a special Market – waste electrical and electronic equipment
HK(IFRIC) – Interpretation 7	Applying the restatement approach under HKAS 29 “Financial reporting in hyperinflationary economies”

The directors of the Company anticipated that the application of these new HKFRSs will have no material impact of the financial statements of the Group.

4. 尚未生效之新訂會計準則可能引致之影響

本集團尚未採用下列已頒佈但尚未生效之新訂財務報告準則：

香港會計準則第1號修訂	資本披露
香港會計準則第19號修訂	精算收益和虧損、集團計劃及披露
香港會計準則第21號修訂	國外營運之淨投資
香港會計準則第39號修訂	預測集團內公司間交易的現金流量對沖會計處理法
香港會計準則第39號修訂	公允價值法之選擇
香港會計準則第39號及財務報告準則第4號修訂	財務擔保合約
財務報告準則第6號	礦物資源之勘探及評估
財務報告準則第7號	金融工具：披露
財務報告準則詮釋第4號	釐定安排是否包括租賃
財務報告準則詮釋第5號	對解除運作、復原及環境重整基金所產生權益的權利
香港（國際財務報告準則）詮釋第6號	參與特定市場－廢置電業及電子設備所產生之負債
香港（國際財務報告準則）詮釋第7號	根據香港會計準則第29號在惡性通貨膨脹經濟中的財務報告之規定引用重述方法

本公司董事預計採用該等新訂財務報告準則不會對本集團之財務報表構成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

5. TURNOVER

Turnover represents the net amounts received and receivables from third parties in connection with the operation of carnivals and provision of advertising services inside the carnivals.

Income from admission fee, mechanical rides and redemption games	來自入場費、機動遊戲及攤位遊戲之收入
Advertising income	廣告收入
Sale of food and beverages	銷售食物及飲品

5. 營業額

營業額指就經營嘉年華會及在嘉年華會會場內提供廣告服務而向第三方收取之已收及應收款項淨額。

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
--	----------------------------------

15,171	4,037
2,377	-
1,013	202
18,561	4,239

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's operation is regarded as a single segment, being an enterprise engaged in the operation of carnivals amusement park.

Analysis of the Group's turnover and results as well as analysis of carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as they are substantially generated from or situated in the PRC.

6. 業務及地區分部

本公司為從事經營嘉年華會遊樂園之企業，其業務被視為屬於單一分部。

本集團並無呈列根據地區市場劃分之本集團營業額及業績之分析，亦無分部資產之賬面值及物業、廠房及設備之添置之分析，因為上述各項極大部分均產生自或位於中國。



7. LOSS FROM OPERATIONS

7. 經營虧損

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Loss from operations has been arrived after charging:	經營虧損乃經扣除：		
Directors' remuneration (Note 10)	董事酬金(附註10)	1,812	2,506
Other staff's retirement benefits scheme contributions	其他員工退休福利計劃供款	120	56
Other staff costs	其他員工成本	10,869	4,790
		<u>12,801</u>	<u>7,352</u>
Auditors' remuneration	核數師酬金	720	500
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	1,328	3,693
Operating lease rentals in respect of	有關下列項目之經營租賃租金		
– amusement facilities	– 遊樂設備	2,899	14,653
– land and buildings	– 土地及樓宇	2,569	213
and after crediting:	及經計入：		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	(6)	–

8. WRITTEN BACK OF AN AMOUNT DUE TO A FORMER SUBSIDIARY

The amount of HK\$14,875,000 represented the write back of other payable to a former subsidiary in the PRC, at the year end 31 December 2004. The former subsidiary was deregistered in 2004 and under the PRC law, it lost the right to claim any liabilities against the Group at the balance sheet date. In the opinion of directors, such payable was extinguished and hence the payable was written back to the consolidated income statement during the year ended 31 December 2005.

8. 撥回應付前附屬公司款項

為數14,875,000港元之款項指於二零零四年十二月三十一日撥回一間中國前附屬公司之其他應付款項。該前附屬公司於二零零四年解除確認，且根據中國法例，於結算日，該公司已喪失向本集團追討負債之權利。董事認為，上述應付款項已經撤銷，故於截至二零零五年十二月三十一日止年度撥回綜合收益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

9. FINANCE INCOME AND COSTS

9. 財務收入及成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<i>Finance Income</i>			
Imputed interest income on amounts due to directors	財務收入 應付董事款項之估算 利息收入	5,756	-
Bank interest income	銀行利息收入	15	3
		<u>5,771</u>	<u>3</u>
<i>Finance costs</i>			
Interest on bank loans	財務成本 銀行貸款利息	(3,838)	(1,053)
Interest on amounts due to directors	應付董事款項利息	(1,503)	(123)
Interest on amount due to ultimate holding company	應付最終控股公司 款項利息	(547)	(243)
		<u>(5,888)</u>	<u>(1,419)</u>

10. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

10. 董事酬金

以下為根據香港公司條例第161條予以披露之董事酬金：

		Director's fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物福利	退休計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2005					
二零零五年					
<i>Executive directors#</i>	<i>執行董事</i>				
Chan See Kit, Johnny	陳恩杰#	-	600	12	612
Lai King Hung	黎經洪	-	120	4	124
Ho U Un	何汝源	120	-	-	120
Chan Chun Yin, Joseph *	陳駿賢*	-	53	3	56
<i>Independent non-executive directors:</i>	<i>獨立非執行董事:</i>				
Cheung Hon Kit	張漢傑	240	-	-	240
Chui Sai Cheong	崔世昌	240	-	-	240
Yu Kam Yuen Lincoln	余錦遠	240	-	-	240
Chan Shek Wah	陳錫華	180	-	-	180
		1,020	773	19	1,812

* Chan Chun Yin, Joseph resigned as the director on 30 April 2005

* 陳駿賢於二零零五年四月三十日辭任董事

Chan Chak Mo, Leong In Ian, Tong Ka Wai and Lim Kam Hung are the executive directors of the Company for the year ended 31 December 2005, but no remuneration were paid to them during the year.

於截至二零零五年十二月三十一日止年度，陳澤武、梁衍茵、唐家威及林金熊均為本公司之執行董事，惟年內彼等並無獲支付任何酬金。

None of the directors waived any remuneration for the year ended 31 December 2005.

於截至二零零五年十二月三十一日止年度，並無董事免收酬金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

10. DIRECTORS' REMUNERATION – continued

10. 董事酬金 – 續

2004 二零零四年	Director's fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Retirement scheme contributions 退休計劃 供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
<i>Executive directors</i>	<i>執行董事</i>				
Chan Chun Yin, Joseph	陳駿賢	–	74	5	79
Ho U Un	何汝源	90	–	–	90
Li Tat Ting	李達庭	–	1,931	–	1,931
Lam Kam Fai	林錦輝	–	240	–	240
Cheung Fuk Cheung, Lawrence	張福泉	–	240	–	240
<i>Independent non-executive directors:</i>	<i>獨立非執行 董事</i>				
Cheung Hon Kit	張漢傑	180	–	–	180
Chui Sai Cheong	崔世昌	180	–	–	180
Yu Kam Yuen Lincoln	余錦遠	11	–	–	11
Chan Shek Wah	陳錫華	6	–	–	6
		467	2,485	5	2,957
<i>Waiver of 2003 remuneration by former directors:</i>	<i>前董事免收之 二零零三年度 酬金:</i>				
Tsang Chi Wai, Eric	曾志偉	–	(413)	–	(413)
Lau Siu Hong, Freeman	劉小康	(38)	–	–	(38)
		429	2,072	5	2,506



11. EMPLOYEES' EMOLUMENTS

The aggregate emoluments of the five highest paid individuals included one (2004: one) executive director of the Company, whose emoluments are included in Note 10 above. The aggregate emoluments of the remaining four (2004: four) highest paid individuals are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and allowance	基本薪金及津貼	2,977	1,386
Retirement scheme contributions	退休計劃供款	36	22
		3,013	1,408

The emoluments of the four (2004: four) individuals with the highest emoluments are within the following bands:

		2005 二零零五年 Number of individuals 人數	2004 二零零四年 Number of individuals 人數
Nil – HK\$1,000,000	0 – 1,000,000港元	3	4
HK\$1,000,001 – 1,500,000	1,000,001港元 – 1,500,000港元	1	–

11. 僱員薪酬

五名最高薪人士之酬金總額包括一名（二零零四年：一名）本公司執行董事，其酬金已載於上文附註10。其餘四名（二零零四年：四名）最高薪人士之酬金總額如下：

四名（二零零四年：四名）最高薪人士之酬金介乎以下範圍：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

12. TAX CREDIT

Tax credit in the consolidated income statement represents:

Current year – Hong Kong Profits Tax Provision for the year	本年度 – 香港利得稅 本年度撥備
Over-provision in respect of prior years	往年度超額撥備

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2005 and 2004. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

The subsidiary in the PRC are subject to an Enterprise Income Tax (“EIT”) at rate of 33% (2004: 33%) No provision for EIT has been made as the PRC subsidiaries have no assessable profits for EIT for the years ended 31 December 2005 and 2004.

There was no significant unprovided deferred taxation for the year or at the balance sheet date.

12. 稅項撥回

綜合收益表內之稅項撥回指：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
----------------------------------	----------------------------------

-	-
(1,500)	-
(1,500)	-

由於截至二零零五及二零零四年十二月三十一日止年度本集團均無任何應課香港利得稅溢利，故並無作出香港利得稅撥備。海外稅項乃按個別司法地區之適用稅率計算。

中國之附屬公司須按33%（二零零四年：33%）之稅率繳納企業所得稅（「所得稅」）。由於中國附屬公司於截至二零零五及二零零四年十二月三十一日止年度均無任何應課所得稅溢利，故並無作出所得稅撥備。

年內或於結算日並無任何重大之未撥備遞延稅項。

12. TAX CREDIT – continued

The tax credit for the year can be reconciled to the loss per consolidated income statement as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(16,729)	(47,399)
Tax calculated at the Hong Kong Profits Tax rate of 17.5% (2004: 17.5%)	按香港利得稅率17.5% (二零零四年: 17.5%) 計算之稅項	(2,928)	(8,295)
Effect on different tax rates of subsidiaries operating in other jurisdictions	因在其他司法地區營業之 附屬公司之稅率不同 而產生之影響	(3,009)	(715)
Tax effect of non-deductible expenses and non-taxable income	不獲扣稅支出及 毋須課稅收入之 稅務影響	(14)	162
Tax effect of revenue not subject to tax	毋須課稅收入之 稅務影響	5,951	8,848
Over-provision in respect of prior years	往年度超額撥備	(1,500)	–
Tax credit	稅項撥回	(1,500)	–

13. LOSS PER SHARE

The calculation of the basic loss per share for the year is based on the net loss for the year attributable to ordinary equity holders of the Company of HK\$16,729,000 (2004: HK\$47,167,000) and the 600,000,000 shares in issue during the year.

No diluted loss per share has been presented as there were no potential dilutive shares for the year.

12. 稅項撥回 – 續

本年度稅項支出可按如下方式在綜合收益表與虧損進行調節：

13. 每股虧損

年內每股基本虧損乃根據年內本公司普通股持有人應佔淨虧損16,729,000港元（二零零四年：47,167,000港元）及年內已發行股份600,000,000股計算。

由於年內並無可產生攤薄影響之股份，故並無呈列每股攤薄虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Amusement rides and machines 機動遊戲 及遊戲機 HK\$'000 千港元	Office fixtures and equipment 辦公室裝置 及設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團			
Cost	成本			
At 1 January 2005	於二零零五年一月一日	23,227	250	23,477
Additions	添置	1,365	88	1,453
Disposal	出售	(108)	-	(108)
		<u>24,484</u>	<u>338</u>	<u>24,822</u>
At 31 December 2005	於二零零五年 十二月三十一日	24,484	338	24,822
Accumulated depreciation	累積折舊			
At 1 January 2005	於二零零五年一月一日	1,492	55	1,547
Depreciation	折舊	2,953	90	3,043
Written back on disposal	出售撥回	(6)	-	(6)
		<u>4,439</u>	<u>145</u>	<u>4,584</u>
At 31 December 2005	於二零零五年 十二月三十一日	4,439	145	4,584
Cost	成本			
At 1 January 2004	於二零零四年一月一日	-	-	-
Additions	添置	23,227	250	23,477
		<u>23,227</u>	<u>250</u>	<u>23,477</u>
At 31 December 2004	於二零零四年 十二月三十一日	23,227	250	23,477
Accumulated depreciation	累積折舊			
At 1 January 2004	於二零零四年一月一日	-	-	-
Depreciation	折舊	1,492	55	1,547
		<u>1,492</u>	<u>55</u>	<u>1,547</u>
At 31 December 2004	於二零零四年 十二月三十一日	1,492	55	1,547
Net book values	賬面淨值			
At 31 December 2005	於二零零五年 十二月三十一日	<u>20,045</u>	<u>193</u>	<u>20,238</u>
At 31 December 2004	於二零零四年 十二月三十一日	<u>21,735</u>	<u>195</u>	<u>21,930</u>

15. INVESTMENTS IN SUBSIDIARIES

15. 附屬公司投資 – 續

		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·成本值	243,512	243,512
Less: Impairment in value	減: 減值	(243,512)	(238,156)
		-	5,356

Impairment loss was recognised based on the recoverable amount of the subsidiaries which were determined by the estimated discounted net future cash flows from the subsidiaries.

減值虧損乃根據附屬公司之可收回金額確認，而可收回金額乃根據該附屬公司之估計折讓未來現金流量淨額釐定。

Details of the Company's subsidiaries at 31 December 2005 are as follows:

本公司於二零零五年十二月三十一日之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/成立 /經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本 /註冊股本面值	Principal activities 主要業務	Proportion of nominal value of issued/ registered capital 佔已發行/ 註冊股本面值比例	
				Directly 直接	Indirectly 間接
Alltrade Enterprises Limited 全貿企業有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	Leasing of mechanical rides 租賃機動遊戲	100%	-
Grand Delight Overseas Limited 君悅海外有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	Dormant 暫無業務	100%	-
Infotower Limited	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	Investment holding 投資控股	-	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

15. INVESTMENTS IN SUBSIDIARIES – continued

15. 附屬公司投資 – 續

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/成立 /經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本 /註冊股本面值	Principal activities 主要業務	Proportion of nominal value of issued/ registered capital 佔已發行/ 註冊股本面值比例	
				Directly 直接	Indirectly 間接
Metro Asia Limited 盛亞有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	Investment holding, administrative and supporting services 投資控股、 行政及支援服務	100%	–
Penny Farthing Agents Limited	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$8 8美元	Investment holding 投資控股	100%	–
Regent King Holdings Limited 欣景集團有限公司	Hong Kong 香港	HK\$1 1港元	Administrative and supporting services 行政及支援服務	100%	–
Tesbury International Limited 德士百利(國際)有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$10 10美元	Dormant 暫無業務	–	100%
World Joint Limited	Hong Kong 香港	HK\$1 1港元	Dormant 暫無業務	–	100%
上海澤安游樂 有限公司*(上海澤安)	PRC 中國	US\$1,750,000 1,750,000美元	Operation of carnivals 經營嘉年華會	–	98.29%
廣州澤安游樂有限公司	PRC 中國	RMB3,000,000 人民幣3,000,000元	Dormant 暫無業務	–	100%

* This is a sino-foreign joint venture enterprise under the PRC law. Subject to the payment of an annual payment of RMB50,000 to the joint venture party, the Group is entitled to all of profits and bears all of the losses of 上海澤安。

* 此乃根據中國法例成立之中外合資企業。待向合營方按年支付人民幣50,000元後，本集團即有權享有上海澤安之所有溢利及承擔其所有虧損。



16. INTERESTS IN FORMER SUBSIDIARY

Share of a former subsidiary's net assets	應佔前附屬公司之資產淨值
Amount due from a former subsidiary	應收前附屬公司款項
Less: Impairment loss for amount due from a former subsidiary	減：應收前附屬公司款項之減值虧損

The directors of the Company believe that the Group has no other material obligations or commitments in PFFCL that require either adjustments to or disclosure in these financial statements.

17. INVENTORIES

Inventories, which represent redemption gifts, are stated at the lower of cost and net realisable value.

16. 於前附屬公司之權益

The Group 本集團	
2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元

-	-
32,014	32,014
(32,014)	(32,014)
<u>-</u>	<u>-</u>

本公司董事認為，本集團於飛圖夢幻影城並無任何其他重大責任或承擔而須於此等財務報表中作出調整或披露。

17. 存貨

存貨指待換禮品，乃按成本或可變現淨值（以較低值為準）列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables	貿易應收款項	31,437	29,323
Other receivables	其他應收款項	6,967	6,379
		38,404	35,702

The following is an aged analysis of trade receivables at the balance sheet date:

於結算日之貿易應收款項按賬齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Age	賬齡		
0 to 90 days	0至90日	2,114	-
91 to 365 days	91至365日	-	-
Over 365 days	365日以上	29,323	29,323
		31,437	29,323

In June 2004, the Group filed a claim to the Hong Kong High Court against a trade debtor for the sale of theme park tickets of HK\$29,323,000. In the opinion of the directors, since the claim is still pending for court hearing, it is unable to determine the final outcome of the claim. Accordingly, no impairment on this amount has been made in the financial statements. The remaining balance of trade receivables of HK\$2,114,000 is denominated in Renminbi.

於二零零四年六月，本集團入稟香港高等法院，就收回有關銷售主題公園門票之貿易賬款29,323,000港元向貿易債務人提出申索。董事認為，由於申索正排期聆訊，彼等無法預測最終申索結果。因此，本集團並未就此筆款項於財務報表作出減值撥備。貿易應收款項其餘2,114,000港元乃以人民幣為單位。

19. AMOUNT DUE FROM A FORMER DIRECTOR

Details of the amount due from a former director are as follows:

Name of former director 前董事姓名	Balance as at 31 December 2005 於二零零五年 十二月三十一日 之結餘 HK\$'000 千港元	Balance as at 31 December 2004 於二零零四年 十二月三十一日 之結餘 HK\$'000 千港元	Maximum outstanding amount during the year 年內最高 欠款額 HK\$'000 千港元
Mr. Li Tat Ting 李達庭先生	38,682	38,682	38,682

The amount is unsecured, interest-free and has no fixed repayment terms.

In July 2004, the Group filed a claim to the Hong Kong High Court against Mr. Li Tat Ting for an amount of HK\$38,682,000. In the opinion of the directors, since the claim is still pending for court hearing, it is unable to determine the final outcome of the claim. Accordingly, no impairment of this amount has been made in the financial statements.

19. 應收前董事款項

應收前董事之款項詳情如下：

Name of former director 前董事姓名	Balance as at 31 December 2005 於二零零五年 十二月三十一日 之結餘 HK\$'000 千港元	Balance as at 31 December 2004 於二零零四年 十二月三十一日 之結餘 HK\$'000 千港元	Maximum outstanding amount during the year 年內最高 欠款額 HK\$'000 千港元
Mr. Li Tat Ting 李達庭先生	38,682	38,682	38,682

該筆款項為無抵押、免息及並無固定還款期。

於二零零四年七月，本集團入稟香港高等法院，向前董事李達庭先生索償38,682,000港元。董事認為，由於申索正排期聆訊，彼等無法預測最終申索結果。因此，本集團並未就此筆款項於財務報表作出減值撥備。

20. AMOUNTS DUE TO DIRECTORS

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Amount due within one year	一年內到期之款項	2,000	2,000	2,000	2,000
Interest bearing at prevailing market rates	按現行市場利率	67,693	11,216	58,237	7,516
Non-interest bearing	不計利息	-	16,237	-	-
Amounts due after one year	一年後到期之款項	67,693	27,453	58,237	7,516

20. 應付董事款項



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

20. AMOUNTS DUE TO DIRECTORS – *continued*

- (i) The amounts are unsecured, interest free and repayable on demand. The carrying amounts approximate their fair value.
- (ii) The amounts are unsecured and have no fixed repayment terms. In the opinion of the directors, the amounts are unlikely to be repaid within the next twelve months of the balance sheet date and are therefore shown in the balance sheet as non-current. The balance of HK\$67,693,000 are interest bearing at 3% per annum (2004: HK\$11,216,000). The fair value of the non-current balances are determined using the effective interest rate of 8.75% per annum.

21. ADVANCE FROM A FORMER SHAREHOLDER

During the year, the advance from a former shareholder of HK\$10,698,000 was assigned to Mr. Chan Chak Mo, a director and beneficial owner of the Company in according to a notice of assignment. In result, the amount was included in the amounts due to directors at the balance sheet date (see Note 20). In previous year, the advance from a former shareholder was unsecured, interest-free and repayable on demand. It was secured by a personal guarantee given by a former director of the Company, Mr. Li Tat Ting.

20. 應付董事款項 – 續

- (i) 該等款項為無抵押、免息及須應要求償還，其賬面值與公允價值相若。
- (ii) 該等款項為無抵押及無固定還款期。董事認為，該等款項不可能於結算日之後十二個月內償還，故在資產負債表中列作非流動性質。其中結餘67,693,000港元（二零零四年：11,216,000港元）按年息3%計算利息。非流動結餘之公允價值乃採用年息8.75%之實際利率釐定。

21. 前股東墊款

年內為數10,698,000港元之前股東墊款根據轉讓通知轉讓予董事陳澤武先生。因此，於結算日該等款項列作應付董事款項（見附註20）。於以往年度，前股東墊款為無抵押、免息及須應要求償還。該項墊款乃以本公司前董事李達庭先生之個人擔保作為抵押。

22. BANK LOANS

The bank loans are repayable as follows:

Within one year	一年內
Between one to two years	一年至兩年
Between two to five years	兩年至五年
Less: Amounts due within one year shown under current liabilities	減：列為流動負債於一年內到期之款項
Amounts due after one year	一年後到期之款項

The bank loans were secured by a pledge of certain shares of the Company owned by the ultimate holding company, Puregain Assets Limited and a personal guarantee given by a director, Mr. Chan Chak Mo. The bank loans bear interest at floating rate which ranged from from 6.25% to 9.00% (2004: 5.75% to 6.25%) per annum. All bank loans were denominated in Hong Kong dollars.

22. 銀行貸款

銀行貸款須於以下年期償還：

The Group 本集團	
2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
12,683	8,654
11,485	8,654
27,718	30,308
51,886	47,616
(12,683)	(8,654)
39,203	38,962

該等銀行貸款乃以最終控股公司 Puregain Assets Limited 所擁有之若干本公司股份及董事陳澤武先生提供之個人擔保作抵押，按每年介乎 6.25% 至 9.00% (二零零四年：5.75% 至 6.25%) 之浮動息率計算利息。所有銀行貸款均以港元為單位。

23. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

23. 應付最終控股公司款項

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest bearing at prevailing market rates	按現行市場利率	6,837	6,837	6,837	6,837
Non-interest bearing	不計利息	115	112	112	112
		6,952	6,949	6,949	6,949

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

23. AMOUNT DUE TO ULTIMATE HOLDING COMPANY – continued

The amount is unsecured, interest bearing at 8% per annum (2004: 8%) and has no fixed repayment terms. In the opinion of the directors, the amount is unlikely to be repaid within the next twelve months of the balance sheet date and is therefore shown in the balance sheet as non-current.

24. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to one or more of the following financial risks:

- Credit risk
- Currency risk
- Interest rate risk
- Liquidity risk
- Fair values of financial assets and financial liabilities

Policy for managing these risks is set by the directors of the Group. The policy for each of the above risks is described in more detail below.

(a) Credit risks

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC. The Group has no significant concentration of credit risk by any single debtor, with exposure spread over a number of counterparties and customers.

Bank balances are placed in various authorised institutions and directors of the Company consider the credit risk for such is minimal.

23. 應付最終控股公司款項 – 續

有關款項並無抵押，按年息8%（二零零四年：8%）計算利息及無固定還款期。董事認為，有關款項不大可能於結算日後十二個月內償還，因此於資產負債表列為非流動項目。

24. 財務工具 – 風險管理

本集團在經營業務上須承受以下一項或多項財務風險：

- 信貸風險
- 貨幣風險
- 利率風險
- 流動資金風險
- 財務資產及財務負債之公允價值

本集團之董事就調控此等風險製訂政策。就上述各項風險所製訂之政策詳列於下文。

(a) 信貸風險

倘交易方無法於二零零五年十二月三十一日就各類已確認之財務資產履行其責任，則本集團所須承受之信貸風險最多以該等資產於綜合資產負債表所列之賬面值為限。本集團檢討各個別貿易債項於各結算日之可收回金額，確保就不可收回之金額作出足夠減值虧損準備。本公司認為此舉大大降低本集團之信貸風險。

就地區而言，本集團之信貸風險主要集中在中國。本集團並無因任何單一債務人而出現信貸風險過份集中之情況，風險分散在多名交易方及客戶。

銀行結餘分別存入多間認可機構，故本公司之董事認為此方面之信貸風險極低。



24. FINANCIAL INSTRUMENTS – RISK MANAGEMENT – continued

(b) **Currency risk**

The Group is exposed to foreign currency risk primarily through its carnival business operated in the PRC that are denominated in Renminbi. Since the impact of foreign exchange exposure is minimal, no hedging against foreign currency exposure has been carried out by the management.

(c) **Interest rate risk**

The Group's exposure to interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities. Interest bearing financial assets are mainly balances with banks which are short term in nature. Interest bearing financial liabilities are mainly bank loans with floating interest rates and amounts due to directors and ultimate holding company with fixed interest rates.

(d) **Liquidity risk**

Internally generated cash flow, bank loans and advances from directors are the general sources of funds to finance the operations of the Group. The Group's banking facilities are repayable within one year to five years.

The Group had net liabilities of HK\$30,144,000 as at 31 December 2005 and experienced a net cash outflow of HK\$38,657,000. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations. The Group and the Company also obtained financial support from its controlling substantial shareholder.

(e) **Fair values of financial assets and financial liabilities**

The fair values of financial assets and financial liabilities reported in the balance sheet of the Group and the Company approximate their carrying amounts.

24. 財務工具 – 風險管理 – 續

(b) **貨幣風險**

本集團所承受之外匯風險主要來自其在中國經營之嘉年華會業務，因有關業務以人民幣結算。由於滙率風險極低，故管理層並無對沖外幣風險。

(c) **利率風險**

本集團因計息財務資產及負債之利率變動而承受利率風險。計息財務資產主要為存於銀行之短期結餘。計息財務負債主要為按浮動利率計息之銀行貸款及按固定利率計息之應付董事及最終控股公司之款項。

(d) **流動資金風險**

內部產生之現金流量、銀行貸款及董事墊款為本集團業務營運所需資金來源。本集團之銀行融資須於一至五年內還款。

於二零零五年十二月三十一日，本集團有淨負債30,144,000港元，且出現38,657,000港元之現金流出淨額。本集團之流動資金風險管理包括安排備用銀行融資及分散資金來源。本集團定期檢討其主要資金狀況，確保備有足夠財務資源履行其財務責任。本集團及本公司亦獲其控股股東提供財務支援。

(e) **財務資產及財務負債之公允價值**

列於本集團及本公司資產負債表之財務資產及財務負債之公允價值與其賬面值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

25. SHARE CAPITAL

		Number of shares 2005 & 2004 股份數目 二零零五年及 二零零四年	Amount 2005 & 2004 金額 二零零五年及 二零零四年 HK\$'000 千港元
Authorised:	法定:		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股	3,000,000,000	30,000
Issued and fully paid:	已發行及繳足:		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	600,000,000	6,000

26. 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, where the acceptance date should not be later than 28 days after the date of offer.

No share options were granted since adoption of the scheme.

25. 股本

		Number of shares 2005 & 2004 股份數目 二零零五年及 二零零四年	Amount 2005 & 2004 金額 二零零五年及 二零零四年 HK\$'000 千港元
Authorised:	法定:		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股	3,000,000,000	30,000
Issued and fully paid:	已發行及繳足:		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	600,000,000	6,000

26. 購股權計劃

根據本公司於二零零二年六月十三日採納之購股權計劃，本公司可向本公司或其任何附屬公司之董事、非執行董事、貨物及服務供應商、客戶、諮詢人及顧問、股東授出購股權，以認購本公司股份，藉此激勵彼等為本集團效力。購股權之代價為每份購股權1港元。可能授出之購股權所涉及股份總數，不得超逾本公司不時之已發行股本30%。此外，於任何一個年度，不得向任何人士授出涉及本公司已發行股本1%以上之購股權。倘向主要股東或獨立非執行董事授出超逾本公司已發行股本0.1%或價值超逾5,000,000港元之購股權，則必須事先取得本公司股東批准。購股權之行使價為緊接股份於購股權授出日期前五個交易日在聯交所之平均收市價、股份於授出日期在聯交所之收市價以及股份面值三者中之最高者。購股權可於授出日期起計10年內行使，而接納日期不得遲於提呈日期後28日。

本公司自採納該計劃以來概無授出任何購股權。

27. RESERVES

27. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE COMPANY	本公司				
At 1 January 2004	於二零零四年一月一日	18,197	243,302	(235,967)	25,532
Net loss for the year	年度虧損淨額	—	—	(47,167)	(47,167)
At 31 December 2004	於二零零四年十二月三十一日				
– As previously reported	– 以往呈報	18,197	243,302	(283,134)	(21,635)
– Effect of initial adoption of HKAS 39	– 首次採納香港會計準則第39號之影響	—	—	446	446
At 1 January 2005 (restated)	於二零零五年一月一日 (重列)	18,197	243,302	(282,688)	(21,189)
Net loss for the year	年度虧損淨額	—	—	(55,246)	(55,246)
At 31 December 2005	於二零零五年十二月三十一日	18,197	243,302	(337,934)	(76,435)

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company under the group reorganisation in 2002 and the nominal amount of the Company's shares issued for the acquisition.

繳入盈餘指本公司根據二零零二年集團重組而收購之附屬公司之有形資產淨值總額與本公司就收購所發行股份之面值兩者間之差額。

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

根據百慕達一九八一年公司法(修訂本),本公司之繳入盈餘可供分派。然而,倘出現下列情況,則本公司不得動用繳入盈餘宣派或派付股息或作出分派:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

- 本公司於支付有關款項後無法或可能無法償還到期債務;或
- 本公司資產之可變現價值會因此而低於其負債、已發行股本及股份溢價之總和。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2005
截至二零零五年十二月三十一日止年度

27. RESERVES – continued

The Company had no distributable reserve at 31 December 2005.

28. OPERATING LEASE COMMITMENTS

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

Within one year

一年內

While the Company has no outstanding operating lease commitments at 31 December 2005 (2004: Nil), the Group was committed to make future minimum lease commitment in respect of land and buildings rented under non-cancellable operating leases which typically runs for an initial period of one year.

29. CAPITAL COMMITMENTS

Commitments for the acquisition of property, plant and equipment:
– authorised but not contracted for

收購物業、廠房及設備之承擔：
– 已批准但未訂約

Besides, the Group had commitment of HK\$2,883,000 (equivalent to RMB3,000,000) in capital contribution in a PRC subsidiary at the balance sheet data.

The Company had no outstanding capital commitments at 31 December 2005.

27. 儲備 – 續

於二零零五年十二月三十一日，本公司並無可供分派儲備。

26. 經營租賃承擔

未來最低租賃付款總額須於下列期間支付：

The Group 本集團	
2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元

163

71

雖然本公司於二零零五年十二月三十一日並無任何未履行之經營租賃承擔（二零零四年：無），惟本集團則承諾日後就根據不可撤銷經營租約（初步為期一年）租用之土地及樓宇支付最低租賃費用。

29. 資本承擔

The Group 本集團	
2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元

2,139

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此外，於結算日，本集團承諾向一間中國附屬公司注資2,883,000港元（相當於人民幣3,000,000元）。

於二零零五年十二月三十一日，本公司並無任何尚未履行之經營租賃承擔。



30. CONTINGENT LIABILITIES

At 31 December 2005, the Group and the Company did not have any contingent liabilities (2004: HK\$6,541,000 and HK\$5,420,000 respectively).

In the previous year, the contingent liabilities included the claims from independent third parties in respect of services fees of promotional services, professional services and design services. All of these claims were settled during the year ended 31 December 2005.

31. RELATED PARTY TRANSACTIONS

During the year, the Group paid interest of HK\$547,000 (2004: HK\$243,000) and HK\$635,000 (2004: HK\$123,000) to its ultimate holding company and directors respectively.

32. POST BALANCE SHEET EVENT

On 19 March 2006, the Company set up an equity joint venture company with an independent third party to re-build an amusement park in the PRC. The joint venture company has signed a lease contract on 21 March 2006 with the Town Government of Panyu for a period of 20 years starting from 1 June 2006. The details are set out in the announcement dated 27 March 2006.

On 17 May 2005, Infotower Limited, an indirectly wholly-owned subsidiary of the Company, entered into an agreement with an independent third party, to establish a contractual joint venture for the purpose of establishing and operating an amusement park in Taishan, the PRC. Subsequent to the balance sheet date, both parties mutually agreed to terminate the project on 24 March 2006. For details, please refer to announcement dated 27 March 2006.

33. COMPARATIVE FIGURES

Administrative expenses have been separately presented in the current year financial statements to provide a better presentation of the nature of expenses.

30. 或然負債

於二零零五年十二月三十一日，本公司並無任何或然負債（二零零四年：分別為6,541,000港元及5,420,000港元）。

上年度之或然負債包括獨立第三者就推廣服務、專業服務及設計服務而提出之申索。上述申索已於截至二零零五年十二月三十一日止年度內達成和解。

31. 有關連人士交易

年內本集團分別向其最終控股公司及董事支付利息547,000港元（二零零四年：243,000港元）及635,000港元（二零零四年：123,000港元）。

32. 結算日後事項

於二零零六年三月十九日，本公司與一名獨立第三者就再度在中國籌建遊樂園而成立合營公司。合營公司已於二零零六年三月二十一日與番禺區政府簽訂租賃合同，由二零零六年六月一日起計為期20年，詳情載於日期為二零零六年三月二十七日之公佈。

於二零零五年五月十七日，本公司之間接全資附屬公司Infotower Limited與一名獨立第三者就成立合約合營公司訂立一項協議，以便在中國台山開設及經營遊樂園。於結算日之後，雙方於二零零六年三月二十四日同意終止該項目，詳情請參閱日期為二零零六年三月二十七日之公佈。

33. 比較數字

為更準確反映支出性質，行政費用在本年度之財務報表中分開呈列。