

CHAIRMAN'S STATEMENT 主席報告

The year of 2006 was a year of considerable achievements for the Company and its subsidiaries ("Group") especially in taking steps towards the resumption of the Company's share trading on the Stock Exchange of Hong Kong. Presented to shareholders is the 2006 annual report of the Group.

OPERATIONS REVIEW

Shaoguan carnival

The Group has since February 2006 been running a carnival at a site of some 17,000 sq. m. at the city centre of Shaoguan for 3 years ending in May 2009.

The Shaoguan carnival has become a major source of revenue contributor to the Group, attaining a total revenue of HK\$18.1 million with 203,166 visitors and a net profit of HK\$6.8 million for the period from 28 April to 31 December 2006.

With the experience of four successful carnivals, the management has developed a near long-term business model (say one to three years) that to operate more than one carnival in close proximity say within three hours drive radius at the same time is more reasonable and feasible, since the carnivals can exchange mechanical rides from time to time attracting visitors, reducing transportation cost and time of installation inspection.

Panyu Nature Amusement Park

The Company's 20:80 equity joint venture in China has incorporated Guangzhou Funmania Nature Park Limited, a foreign enterprise company in China, in October 2006 which in November 2006 has rented a land of some 200,000 sq. m. for 20 years to set up a nature amusement park. At the end of the 20 years lease, Guangzhou Funmania Nature Park Limited may seek a renewal, and upon expiration of the lease term, all fixtures (which are not removable) would be left behind.

The Group is currently re-developing this land into a nature amusement park in two phases which will have various facilities including fishing ponds, organic farming, horse riding, amusement rides, games stalls and electronic amusement games machines. The first development phase for the amusement section of the park has been completed in February 2007 and the equipment/facilities are being installed to cater for the Labour Day 7 days holiday in the coming May. The second development phase has commenced and is scheduled to complete in September 2007. Any delay in completion of the renovation and expansion project and/or any cost overrun may affect the revenue and the financial position of the Group.

二零零六年為本公司及其附屬公司（「本集團」）成績斐然的一年，當中包括採取行動促使本公司股份於聯交所恢復買賣，本人謹向股東提呈本集團之二零零六年年報。

業務回顧

韶關嘉年華會

自二零零六年二月起，本集團於韶關市中心籌辦一個佔地17,000多平方米之嘉年華會，直至二零零九年五月為止，為期三年。

韶關嘉年華會已成為本集團主要收益來源，總收益達到18,100,000港元，於二零零六年四月二十八日至十二月三十一日止期間之入場人數為203,166人次，純利為6,800,000港元。

憑藉過去四次成功籌辦嘉年華會之經驗，管理層已發展出一套類似之長期（由一至三年）業務模式，同時於鄰近地區營辦多於一個嘉年華會，例如方圓三個小時車程則較為合理可行，原因為各嘉年華會可不時互換機動遊戲以吸引旅客入場，並且可減低運輸成本及安裝測試之時間。

番禺生態遊樂園

本公司按20:80股權比例成立之合營公司於二零零六年十月在中國註冊成立一家海外企業公司廣州澤灝農業生態園有限公司，該公司於二零零六年十一月租用一幅面積200,000餘平方米之土地，為期20年，以設立一個生態遊樂園。於20年期終結時，廣州澤灝農業生態園有限公司可尋求續租，而於任何租期屆滿時，所有不可移除之固定裝置將留在原處。

本集團目前正分兩個階段重新發展該地盤為生態遊樂園，園內提供多項設施，包括釣魚場、有機農場、騎術訓練場、機動遊戲、攤位遊戲及電子遊戲機。生態遊樂園第一個發展階段之遊樂區已於二零零七年二月落成，現正安裝設備／設施以迎接五月勞動節之七天假期。第二個發展階段已經開始動工，預期於二零零七年九月落成。倘修葺及擴展項目出現任何延誤及／或成本超支，均可能會對本集團之收入及財務狀況造成影響。



CHAIRMAN'S STATEMENT

主席報告

OPERATIONS REVIEW – *continued*

Panyu Nature Amusement Park – *continued*

The management believes that such combination of a nature park and amusement park would attract more visitors, both first-time visitors and repeat visitors, although there can be no assurance on the number of visitors.

RESUMPTION PROPOSAL

The Company has submitted to the Stock Exchange for its approval of a resumption proposal (“Proposal”) comprising an acquisition of restaurant interests, a subscription of new shares by Mr. Chan Chak Mo who is the managing director and effective controlling shareholder of the Company (“Mr. Chan”), a capitalisation of Mr. Chan’s HK\$70 million loan to the Group, and a placement of new shares, all details of which were announced on 16 March 2007. A summary of the Proposal is set out below.

Trading in the Shares on the Stock Exchange was suspended since 15 December 2003 at the request of the Company and will remain suspended until completion of the Proposal.

The Acquisition

The Company has entered into a sale and purchase agreement in March 2007 where the Company has conditionally agreed to acquire the entire issued share capital of Kanysia Investments Limited (“Kanysia”) at a total consideration of approximately HK\$62.1 million. The consideration will be satisfied as to HK\$10.8 million by the allotment and issue of 216,024,220 shares at a price of HK\$0.05 per share to Mr. Chan and/or his nominees. The balance consideration of approximately HK\$51.3 million will be settled by the issue of a 2.5 years 3% coupon convertible note with a conversion right to convert into about 1,026,168,160 shares at a price of HK\$0.05 per share. The issue price per share will be HK\$0.50 upon implementation of the proposed share consolidation mentioned below.

Kanysia is engaged through its subsidiaries in the operations of a Japanese food restaurant and Chinese food restaurant in Macau. All these restaurants have been operated over 15 years under the management of Mr. Chan.

業務回顧 – 續

番禺生態遊樂園 – 續

管理層相信，儘管並不保證旅客人數，此種生態公園及遊樂園之業務組合將吸引更多旅客，當中包括首次到訪旅客及再次到訪旅客。

復牌建議

本公司已向聯交所提交復牌建議（「建議」）以供其審批，建議包括收購酒樓權益、認購本公司董事總經理及實際控股股東陳澤武先生（「陳先生」）之新股份、將陳先生向本集團提供之70,000,000港元貸款資本化，以及配售新股份，所有詳情已於二零零七年三月十六日作出公佈。建議之概要載列如下。

應本公司要求，股份由二零零三年十二月十五日起暫停於聯交所進行買賣，直至建議完成為止。

收購事項

本公司於二零零七年三月訂立買賣協議，據此，本公司已有條件同意購入Kanysia Investments Limited（「Kanysia」）全部已發行股本，總代價為62,100,000港元，其中約10,800,000港元將透過向陳先生及／或其代名人以每股0.05港元之價格配發及發行216,024,220股股份支付，而餘額約51,300,000港元則透過發行2.5年期之可換股票據支付，可換股票據之票面息率為3%，附帶轉換權按每股0.05港元轉換成約1,026,168,160股份。倘進行下述建議股份合併，每股發行價將為0.50港元。

Kanysia透過其附屬公司於澳門從事經營日式食品餐廳及中式酒樓。所有該等餐廳及酒樓均已在陳先生管理下經營逾十五年。

CHAIRMAN'S STATEMENT 主席報告

OPERATIONS REVIEW – continued

The Acquisition – continued

The unaudited combined turnover and net profit after tax for 2005 for the Kanysia group were MOP 60.98 million and MOP 18.27 million respectively, while the unaudited combined turnover and net profit after tax for 2006 for the Kanysia group were MOP 70.87 million and MOP 23.16 million respectively. The net asset value of the Kanysia group on 31 December 2006 was MOP 1.76 million. Such unaudited combined financial results have been prepared as if the Kanysia Group has been in existence throughout the relevant periods for the inclusion in a circular of the Company to be issued on the Proposal, and based on the audited financial results for the year ended 31 December 2005 and the unaudited financial results for the year ended 31 December 2006 of all the subsidiaries of the current Kanysia group with Kanysia as the holding company. There may be adjustment to the unaudited combined financial results for the year ended 31 December 2006 of the Kanysia Group upon completion of its audit accounts.

The Subscription and the Loan Capitalisation

The Group owes approximately HK\$84.7 million loan to Mr. Chan who now continues to finance the Group's operations until the completion of the Proposal. As such, the loan due to Mr. Chan may continue to increase. Upon completion of the Proposal, the Company would have sufficient working capital to finance its own operation.

The Company and Mr. Chan have entered into a subscription and loan capitalisation agreement where Mr. Chan has conditionally agreed to subscribe 400,000,000 new shares at a price HK\$0.05 per share in cash. Mr. Chan has also conditionally agreed to capitalise at HK\$0.05 per share an aggregate HK\$70 million outstanding shareholder's loan due to him. The issue price per share will be HK\$0.50 upon implementation of the proposed share consolidation mentioned below.

The Placing

The Company proposes to raise new equity funds by the placing of the HK\$100 million new shares to independent investors.

業務回顧 – 續

收購事項 – 續

Kanysia集團於二零零五年之未經審核合併營業額及除稅後純利分別為60,980,000澳門元及18,270,000澳門元，而Kanysia集團於二零零六年之未經審核合併營業額及除稅後純利則分別為70,870,000澳門元及23,160,000澳門元。Kanysia集團於二零零六年十二月三十一日之資產淨值為1,760,000澳門元。該等未經審核合併財務績乃假設Kanysia集團於有關期間一直存在而編製，以供載入本公司就建議即將發出之通函內，並根據目前Kanysia集團所有以Kanysia為控股公司之附屬公司於截至二零零五年十二月三十一日止年度之經審核財務業績及截至二零零六年十二月三十一日止年度之未經審核財務業績。於完成經審核賬目後，Kanysia集團於截至二零零六年十二月三十一日止年度之未經審核合併財務業績或須作出調整。

認購事項及貸款資本化

本集團欠陳先生約84,700,000港元，陳先生現時仍繼續為本集團之運作提供資金，直至建議完成為止，就此，欠負陳先生之貸款或會繼續增加。於完成建議時，本公司將具備充足營運資金以應付其本身運作。

本公司與陳先生已訂立認購及貸款資本化協議，據此陳先生已有條件按每股0.05港元之價格，以現金認購400,000,000股新股份。陳先生亦有條件同意按每股0.05港元之價格，將欠負其之未償股東貸款合共70,000,000港元資本化。倘進行下述建議股份合併，每股發行價將為0.50港元。

配售事項

本公司建議透過向獨立投資者配售100,000,000港元新股份而籌集新資金。

CHAIRMAN'S STATEMENT 主席報告

OPERATIONS REVIEW – *continued*

The Placing – *continued*

The Company intends to appoint independent placing agents for the placing. The Company has identified the placing agents. Subject to the finalisation of the placing agreements, the Company anticipates that the placing agents will, on a fully underwritten basis, underwrite HK\$100 million placing shares at a price of HK\$0.05 per share (equivalent to HK\$0.50 per consolidated share following the proposed share consolidation mentioned below). Since the placing is subject to independent shareholders' approval, the Company expects to enter into the placing agreements at the time close to but prior to the despatch of the circular to the shareholders in relation to the Proposal.

The net proceeds to be raised from the placing and the subscription will amount to approximately HK\$116 million, which will be used as to approximately HK\$44.0 million to repay the bank borrowings; as to approximately HK\$27.7 million to finance the construction and operation of the nature amusement park in Panyu, China; and the balance of approximately HK\$44.3 million for the general working capital of the Group.

Capital Reorganisation and change in board lot size

Proposed Share Consolidation

The Company proposes to effect a share consolidation by consolidating every 10 issued and unissued ordinary shares of HK\$0.01 each into one consolidated share of HK\$0.10 each.

As at today, the authorised share capital of the Company is HK\$30,000,000 divided into 3,000,000,000 shares of HK\$0.01 each. There are no outstanding options, convertible note or other securities of the Company convertible into or giving right to subscribe for the shares. Immediately after the share consolidation, assuming no further shares will be issued prior to the special general shareholder meeting (and without taking into account the consolidated shares to be issued under the Proposal), the authorised share capital of the Company will be HK\$30,000,000 comprising 300,000,000 consolidated shares of HK\$0.10 each, of which 60,000,000 consolidated shares will be in issue and are fully paid or credited as fully paid.

業務回顧 – 續

配售事項 – 續

本公司有意就配售事項委任獨立配售代理。本公司已識別配售代理，待落實配售協議後，本公司預期配售代理將按全數包銷基準以每股0.05港元（相等於下述建議股份合併後每股合併股份0.50港元）之價格包銷100,000,000港元之配售股份。由於配售須獲獨立股東批准，本公司預期於接近但於向股東寄發有關建議之通函前訂立配售協議。

配售事項及認購事項將籌集之所得款項淨額約為116,000,000港元，其中約44,000,000港元將用於償還銀行借貸；約27,700,000港元將用於為興建及經營中國番禺生態遊樂園提供資金；及餘額約44,300,000港元將用作本集團一般營運資金。

資本重組及更改每手買賣單位

建議股份合併

本公司建議透過將每10股已發行及未發行每股面值0.01港元之普通股合併為一股面值0.10港元之合併股份而進行股份合併。

本公司現時之法定股本為30,000,000港元（分為3,000,000,000股每股面值0.01港元之股份）。現無尚未行使之購股權、可換股票據或可兌換為股份或賦予權利認購股份之本公司其他證券。緊隨股份合併後，假設於股東特別大會前不會再發行其他股份（並未計及根據建議而予以發行之合併股份），本公司之法定股本將為30,000,000港元，包括300,000,000股每股面值0.10港元之合併股份，其中60,000,000股合併股份將為已發行及列作繳足。

CHAIRMAN'S STATEMENT 主席報告

OPERATIONS REVIEW – *continued*

Capital Reorganisation and change in board lot size – *continued*

Proposed Share Consolidation – continued

The consolidated shares will rank pari passu in all respects with each other and the share consolidation will not result in any change in the relative rights of the Company's shareholders. The share consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Company's shareholders. The share consolidation will not have any material adverse effect on the financial position of the Company and its subsidiaries.

The share consolidation will be effective on the same business day as the date of completion of the abovementioned sale and purchase agreement, the placing agreements and the subscription and loan capitalisation agreement.

Increase in authorised share capital

As at today, the authorised share capital of the Company is HK\$30,000,000, divided into 3,000,000,000 shares of HK\$0.01 each in the capital of the Company and there are 600,000,000 shares in issue.

To facilitate the allotment and issue of consolidated shares under the Proposal and the transactions contemplated thereunder and to provide sufficient room for future equity issues, it is to propose to increase the authorised share capital of the Company to HK\$100,000,000, divided into 1,000,000,000 consolidated shares.

Change in board lot size

After the share consolidation becoming effective, the board lot for trading in the consolidated shares will be changed to 6,000 consolidated shares. The board change will not result in any change in the relative rights of the Company's shareholders.

業務回顧 – 續

資本重組及更改每手買賣單位 – 續

建議股份合併 – 續

合併股份將在所有方面彼此享有同等地位，而股份合併將不會改變股東之相對權利。股份合併本身將不會改變本公司之相關資產、業務運作、管理或財務狀況，或本公司股東比例上之權益。股份合併將不會對本公司及其附屬公司之財務狀況構成任何重大不利影響。

股份合併將於完成上述買賣協議、配售協議及認購及貸款資本化協議當日之同一個營業日生效。

增加法定股本

本公司現時之法定股本為30,000,000港元（分為本公司股本中3,000,000,000股每股面值0.01港元之股份），共有600,000,000股份已發行。

為便於根據建議配發及發行合併股份以及進行其中所述之交易，並提供充足空間作未來股本集資，建議增加本公司之法定股本至100,000,000港元（分為1,000,000,000股合併股份）。

更改每手買賣單位

於股份合併生效後，合併股份之每手買賣單位將更改為6,000股合併股份。更改每手買賣單位將不會令本公司股東之相對權利有變。

CHAIRMAN'S STATEMENT 主席報告

OPERATIONS REVIEW – *continued* Shareholders' Approval

As some of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Acquisition exceed 100%, the acquisition abovementioned would constitute a very substantial acquisition for the Company and would be required to be made conditional on shareholders' approval pursuant to Chapter 14 of the Listing Rules. As Mr. Chan is the managing director and effective controlling shareholder, the acquisition, the subscription and the loan capitalisation under the Proposal would also constitute connected transactions for the Company under Rule 14A.13 of the Listing Rules. Hence, the Proposal as a whole, including such transactions, the placing and the capital reorganisation would be conditional on independent shareholders' approval under the Listing Rules. The voting result will be taken by poll. Mr. Chan and his associates will abstain from voting on the resolution to approve the Proposal at the relevant shareholder meeting.

OUTLOOK

The year of 2006 marked the way forward for the Group. Operations were performing satisfactorily and upon the Panyu nature amusement park coming into operation soon, the Group is well positioned to further improve the Group's carnival amusement business. The Proposal would upon its implementation contribute significant benefits to the Group. It would generate HK\$116 million cash to repay bank debt and adequate cash resources to finance the operations of the Group. It would lead to acquisition of the restaurant business to complement the Group's current business with immediate and stable level of revenue and profit. More important, upon obtaining the approval of the Stock Exchange, the Company could resume the trading of its shares on the Stock Exchange providing liquidity to the investment of the shareholders in the Company. The year of 2007 shall be the turning point for the Group's performance.

CHAN SEE KIT, JOHNNY
Chairman

Hong Kong
19 April 2007

業務回顧 – 續 股東批准

由於上市規則第14.07條，適用於收購事項之部份相關百分比率超過100%，故上述收購事項構成本公司之非常重大收購，並須根據上市規則第14章待股東作出批准後始能作實。陳先生為本公司董事總經理兼實際控股股東，因此建議下之收購事項、認購事項及貸款資本化亦將構成本公司根據上市規則第14A.13條之關連交易。因此，建議整體（包括該等交易、配售事項及資本化重組）須根據上市規則獲獨立股東批准始能作實。投票將以表決形式進行。陳先生及其聯繫人士將於有關股東大會上放棄就批准建議之決議案投票。

前景

二零零六年為本公司邁步向前的一年，營運表現理想，而番禺生態遊樂園亦即將啟用。本集團已作好準備以進一步改善旗下嘉年華會業務之表現。建議將於落實時為本集團帶來重大好處，建議將116,000,000港元現金以償還銀行債務，並提供充足現金資源以撥付本集團之運作。根據建議收購酒樓業務將可即時為本集團目前之業務補足穩定水平之收益及溢利，而更重要的是，待獲得聯交所批准後，本公司將可於聯交所恢復其股份買賣，令本公司股東之投資恢復其流動性。二零零七年將會是本集團業務之轉捩點。

主席
陳思杰

香港
二零零七年四月十九日