

into a modern complex of fine-dining, shopping, sightseeing and cultural attraction to be named “Jumbo Kingdom”. With its strategic position, special design and architecture and worldwide reputation, “Jumbo Kingdom” is expected to become a more popular tourist, recreational and leisure spot after its rebirth.

Property Investment Division

Turnover of the Group’s property investment business for the first half of 2003 remained at HK\$2.3 million, similar to the turnover of last year’s corresponding period. The stagnant result of this division’s business is due to abundant supply of rental properties and general decline in property rentals. Owing to high costs of maintaining and managing the properties, operating profit from the Group’s property investments went down by 17% to HK\$1.4 million.

Investment and Energy Division

Turnover and operating profit for investment for the first half of 2003 were HK\$0.2 million (2002: HK\$1.8 million) and HK\$3.9 million (2002: HK\$1.8 million) respectively. The increased operating profit of investments was due to receipt of underwriting income during the period.

The Group has not made any firm commitment on energy investments. It will continue to keep watch of investment opportunities in this sector.

The Group is continuing negotiations with potential partners in the establishment of a professional investment company. When formed, this company will make direct equity and other investments in companies with good prospects in the Greater China region.

EVENTS AFTER 30TH JUNE 2003

In August, 2003, VC CFN Corporation Limited, a subsidiary of the Group, submitted an application to the relevant Macau authority for a financial service licence to conduct securities and futures trading and brokerage business in Macau. In response to the authority’s request, further documents and information have been provided to the authority for assessment of the application.

In August, 2003, the Company took actions to undertake a rights issue of 72,643,567 rights shares of HK\$1.00 at a price of HK\$1.45 per rights share on the basis of one rights share for every two ordinary shares in issue. The Company will raise approximately HK\$105.3 million before expenses by means of the rights issue, which will strengthen the Company’s equity base, improve its financial gearing and provide additional resources to finance development and growth of the Group’s business.

FUTURE PROSPECTS

With prudence as its guiding principle, the Group has been consistently implementing its development strategy with determination and dedication.

Renovation work on the “Jumbo Kingdom” has already started and will be completed by the first quarter of 2004 to cope with the recovery of the Hong Kong tourism industry. “Jumbo Kingdom” is expected to benefit from China’s policy of relaxing the travel requirements on