The Board of Directors (the "Board") of ENM Holdings Limited (the "Company") herein present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2005, together with the unaudited comparative amounts for the corresponding period in 2004.

This interim financial report has not been audited, but has been reviewed by the Company's audit committee and the Company's auditors.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2005 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Notes	**2005**	2004
		(Unaudited)	*(Restated)*
		$'000	*$'000*
Turnover	3	**113,328**	104,987
Cost of sales		**(51,707)**	(41,947)
Gross profit		**61,621**	63,040
Other income and gains	4	**3,452**	11,644
Selling and distribution costs		**(34,578)**	(26,841)
Administrative expenses		**(35,392)**	(40,248)
Other operating income/(expenses), net		**15,894**	(5,574)
Finance costs	5	**(250)**	(227)
Share of profits and losses of associates		**(1,432)**	(1,194)
Profit before tax	6	**9,315**	600
Tax	7	**—**	38
Profit for the period		**9,315**	638
Attributable to:			
Equity holders of the Company		**8,941**	(2,816)
Minority interests		**374**	3,454
		9,315	638
Earnings/(loss) per share	8		
- Basic		**0.54 cents**	(0.17) cents
- Diluted		**N/A**	N/A
Dividend per share	9	**Nil**	Nil

The notes on pages 6 to 20 form part of this interim financial report.

Condensed consolidated balance sheet

As at 30 June 2005 - unaudited
(Expressed in Hong Kong dollars)

	Notes	**30 June 2005** **(Unaudited)** **$'000**	31 December 2004 (Restated) $'000
Non-current assets			
Fixed assets			
- Properties and equipment		**78,379**	74,198
- Investment properties		**100,991**	96,200
		179,370	170,398
Prepaid land premiums		**3,178**	3,217
Goodwill		**6,610**	6,610
Interests in associates		**18,789**	9,633
Interests in jointly-controlled entities (fully provided for)		**—**	—
Available-for-sale investments	10	**36,287**	35,489
		244,234	225,347
Current assets			
Financial assets at fair value through profit and loss		**154,835**	149,296
Inventories		**46,136**	33,910
Trade receivables	11	**6,783**	11,710
Prepayments, deposits and other receivables		**27,700**	28,651
Prepaid land premiums		**77**	77
Due from an associate		**—**	641
Pledged deposits		**342**	342
Time deposits		**521,858**	531,741
Cash and bank balances		**24,581**	49,266
		782,312	805,634

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

As at 30 June 2005 - unaudited
(Expressed in Hong Kong dollars)

	Notes	30 June 2005 (Unaudited) $'000	31 December 2004 (Restated) $'000
Current liabilities			
Trade and other payables	12	**62,072**	81,819
Due to an associate		**750**	—
Interest-bearing bank borrowings		**7,102**	6,597
Debentures	13	**1,254**	954
Other loans		**5,207**	5,207
Tax payable		**5,557**	5,436
		81,942	100,013
Net current assets		**700,370**	705,621
Total assets less current liabilities		**944,604**	930,968
Non-current liabilities			
Debentures	13	**8,130**	8,550
Deferred revenue		**25,662**	20,870
		33,792	29,420
		910,812	901,548
CAPITAL AND RESERVES			
Equity attributable to equity holders of the Company			
Share capital		**16,507**	16,507
Reserves	15	**867,749**	858,859
		884,256	875,366
Minority interests	15	**26,556**	26,182
		910,812	901,548

The notes on pages 6 to 20 form part of this interim financial report.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2005 - unaudited
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June 2005 (Unaudited) $'000	2004 (Restated) $'000
Total equity at 1 January:			
As previously reported as equity		**926,072**	911,311
As previously reported separately as minority interests		**26,182**	20,006
		952,254	931,317
Prior period adjustments	1, 2	**(50,706)**	(44,129)
As restated		**901,548**	887,188
Changes in equity during the period:			
Exchange differences on translating foreign operations	15	**(51)**	(29)
Net loss recognised directly in equity		**(51)**	(29)
Profit for the period	15	**9,315**	638
Total recognised income and expense for the period		**9,264**	609
Total equity at 30 June		**910,812**	887,797
Total recognised income and expense for the period attributable to:			
Equity holders of the Company		**8,890**	(2,845)
Minority interests		**374**	3,454
		9,264	609

The notes on pages 6 to 20 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2005 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2005	2004
	(Unaudited)	*(Unaudited)*
	$'000	*$'000*
Net cash outflow from operating activities	**(14,669)**	(9,532)
Net cash inflow/(outflow) from investing activities	**(442,402)**	52,467
Net cash inflow/(outflow) from financing activities	**135**	(47,207)
Net decrease in cash and cash equivalents	**(456,936)**	(4,272)
Cash and cash equivalents at beginning of period	**581,007**	587,522
Effect of foreign exchange rate changes, net	**4**	(8)
Cash and cash equivalents at end of period	**124,075**	583,242
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**24,581**	43,347
Non-pledged time deposits with original maturity of less than three months when acquired	**99,494**	539,895
	124,075	583,242

The notes on pages 6 to 20 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004, except for the changes in accounting policies following the adoption of certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period's financial statements:

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 28	Investments in Associates
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK(SIC)-INT 21	Income Taxes – Recovery of Revalued Non-depreciable Assets
HK-INT 2	The Appropriate Accounting Policies for Hotel Properties
HK-INT 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 28, 31, 33, 37, HK(SIC)-INT 21 and HK-INT 4 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated financial statements. The impact of adopting the other HKFRSs by the Group is summarised as follows:

(a) HKAS 32 and HKAS 39 - Financial Instruments

In prior periods, the Group classified its investments in equity securities intended to be held for continuing strategic or long term purposes as investment securities, within long term investments, and stated these investments at cost less any impairment losses on an individual investment basis. Other long term investments in equity securities intended to be held on a long term basis were stated at their fair values on an individual investment basis and classified as other securities, also within long-term investments, and the gains or losses arising from changes in the fair values of such securities were credited or charged to the profit and loss account in the period in which they arose.

Upon the adoption of HKASs 32 and 39, these securities are classified as available-for-sale investments. Available-for sale investments are those non-derivative investments in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale investments are measured at fair value with gains or losses recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; and discounted cash flow analysis and option pricing models.

When the fair value of unlisted equity securities cannot be reliably measured because (1) the variability in the range of reasonable fair value estimates is significant for that investment, or (2) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less impairment losses.

The Group assesses at each balance sheet date whether there is any objective evidence that an available-for-sale investment is impaired as a result of one or more events that occur after the initial recognition of the investment ("loss events"), and that the loss events have an impact on the estimated future cash flows that can be reliably estimated.

If there is objective evidence of impairment, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in the profit and loss account. The amount of loss recognised in the profit and loss account shall be the difference between the acquisition cost and the current fair value, less any impairment losses on that available-for-sale investment previously recognised in the profit and loss account.

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) HKAS 32 and HKAS 39 - Financial Instruments (continued)

The change in accounting policy has resulted in the reclassification of the Group's investments in equity securities as available-for-sale investments, and has had no effect on the Group's consolidated profit and loss account and accumulated losses since the Group's available-for-sale investments were stated at fair value or cost less impairment losses as at 1 January 2005.

(b) HKAS 40 - Investment Property and HK-INT 2 - The Appropriate Accounting Policies for Hotel Properties

Changes in accounting policies relating to investment properties are as follows:

(i) Changes in fair values of investment properties

In prior periods, changes in the fair values of investment properties were dealt with as movements in the investment property revaluation reserve. If the total of this reserve was insufficient to cover a deficit, on a portfolio basis, the excess of the deficit was charged to the profit and loss account. Any subsequent revaluation surplus was credited to the profit and loss account to the extent of the deficit previously charged.

Upon the adoption of HKAS 40, gains or losses arising from changes in the fair values of investment properties are included in the profit and loss account in the period in which they arise. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit and loss account in the period of retirement or disposal.

The adoption of HKAS 40 has had no effect on the Group's consolidated profit and loss account and opening balances of accumulated losses as at 1 January 2005 and 2004 since the Group recorded net revaluation deficits in prior periods and had no investment revaluation reserve at these dates.

(ii) Reclassification of resort and recreational club properties

In prior periods, all resort and recreational club properties of the Group were classified separately from investment properties and were stated at valuation less accumulated depreciation and any impairment losses. Changes in the fair values of resort and recreational club properties were dealt with as movements in the revaluation reserve. If the total of this reserve was insufficient to cover a deficit, on an individual basis, the excess of the deficit was charged to the profit and loss account. Any subsequent revaluation surplus was credited to the profit and loss account to the extent of the deficit previously charged. Upon the disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations was transferred to accumulated losses as a movement in reserves.

Upon the adoption of HKAS 40 and HK-INT 2, only owner-managed hotels are regarded as owner-occupied properties and stated at cost or valuation less accumulated depreciation and any impairment losses. On the other hand, if a hotel owner's position is, in substance, be that of a passive investor and is not significantly exposed to the cash flows generated by the hotel, the hotel is distinguished from owner-occupied property and is classified as an investment property.

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) HKAS 40 - Investment Property and HK-INT 2 - The Appropriate Accounting Policies for Hotel Properties (continued)

(ii) Reclassification of resort and recreational club properties (continued)

The adoption of HKAS 40 and HK-INT 2 has resulted in the reclassification of the Group's resort and recreational club properties located in Shanghai, mainland China, as investment properties. The effects of the change in accounting policy are summarised in note 2 to the condensed consolidated financial statements. In accordance with HKAS 40 and HK-INT 2, comparative amounts have been restated.

(c) HKFRS 2 - Share-based Payment

In prior periods, no recognition and measurement of share-based transactions in which employees (including directors) were granted share options over shares in the Company was required until such options were exercised by employees, at which time the share capital and share premium were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments ("equity-settled transactions"), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit and loss account for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Any dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to options granted to employees on or before 7 November 2002 and had vested by 1 January 2005. The adoption of HKFRS 2 has had no effect on the Group's condensed consolidated profit and loss account and accumulated losses since all outstanding options of the Group were granted to employees before 7 November 2002 and had vested by 1 January 2005.

Details of the employee share option schemes of the Group are set out in note 29 of the Group's annual financial statements for the year ended 31 December 2004.

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) HKFRS 3 - Business Combinations and HKAS 36 - Impairment of Assets

In prior periods, goodwill arising on acquisitions prior to 1 January 2001 was eliminated against consolidated reserve in the year of acquisition and was not recognised in the profit and loss account until disposal or impairment of the acquired business. Goodwill arising on acquisitions on or after 1 January 2001 was capitalised and amortised on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment.

Upon the adoption of HKFRS 3 and HKAS 36, goodwill arising on acquisitions is no longer amortised but subject to an annual impairment review (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Pursuant to the transitional provisions of HKFRS 3, the Group eliminated at 1 January 2005 the carrying amounts of accumulated amortisation with a corresponding entry to the cost of goodwill. Goodwill previously eliminated against consolidated reserve remains eliminated against consolidated reserve and is not recognised in the profit and loss account when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

The effects of the above changes are summarised in note 2 to the condensed financial statements. In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

(e) HKAS 17 - Leases

In prior periods, all leasehold land and buildings of the Group held for own use as well as its owner-occupied recreational club located in Hong Kong, categorised within “resort and recreational club properties” as part of fixed assets, were stated at valuation less accumulated depreciation and any impairment losses. Depreciation was generally recognised over the remaining terms of the leases.

Upon the adoption of HKAS 17, the Group’s leasehold interest in the recreational club located in Hong Kong is separated into leasehold land component and leasehold buildings component. The leasehold land component is classified as an operating lease since the ownership title to the land interest is not expected to pass to the Group by the end of the lease term, and is reclassified from fixed assets to prepaid land premiums, while the leasehold buildings component continues to be categorised within “resort and recreational club properties” as part of fixed assets and stated at valuation, as determined using depreciated replacement costs basis, less depreciation and any impairment losses. Prepaid land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term. When the lease payments for interests in leasehold land and buildings cannot be allocated reliably between the land and building components, the entire lease payments are included as finance leases and have continued to be stated at valuation less accumulated depreciation and any impairment losses.

The effects of the above changes are summarised in note 2 below. In accordance with HKAS 17, comparative amounts have been restated.

2 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

Following the adoption of the HKFRSs, the opening balances of the accumulated losses were adjusted retrospectively. The details of the prior period adjustments are summarised as follows:

(a) Effect on opening balance of accumulated losses at 1 January 2005

Effect of new policy	*Note*	**Increase in accumulated losses** ***(Unaudited)*** ***$'000***
Prior period adjustment:		
HKAS 17		
- Separation of the land and buildings components of owner-occupied properties	1(e)	**(50,706)**
Total effect at 1 January 2005		**(50,706)**

(b) Effect on opening balance of accumulated losses at 1 January 2004

Effect of new policy	*Note*	Increase in accumulated losses *(Unaudited)* *$'000*
Prior period adjustment:		
HKAS 17		
- Separation of the land and buildings components of owner-occupied properties	1(e)	(44,129)
Total effect at 1 January 2004		(44,129)

2 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

The following table summarises the impact on profit after tax for the six-month periods ended 30 June 2005 and 2004 upon the adoption of the new HKFRSs. As no retrospective adjustments have been made for the adoption of HKFRS 3, the amounts shown for the six months period ended 30 June 2004 may not be comparable to the amounts shown for the current interim period.

(c) Effect on profit after tax for the six months ended 30 June 2005 and 2004

Effect of new policy (Increase/(decrease))	*Notes*	Six months ended 30 June **2005** **Equity holders of the Company** ***(Unaudited)*** ***$'000***	2004 Equity holders of the Company *(Unaudited)* *$'000*
Effect on profit after tax:			
HKFRS 3			
- Discontinuation of amortisation of goodwill	1(d)	**176**	—
HKAS 40 and HK-INT 2			
- Reversal of depreciation of resort and recreational club properties classified as investment properties	1(b)	**2,556**	1,316
HKAS 17			
- Decrease in depreciation of owner-occupied properties	1(e)	**604**	519
- Amortisation of prepaid land premiums	1(e)	**(39)**	(39)
Total effect for the period		**3,297**	1,796
Effect on earnings/(loss) per share:			
Basic		**0.20 cents**	0.11 cents
Diluted		**—**	—

3 TURNOVER AND SEGMENT INFORMATION

An analysis of the Group's revenue and results by business segments and an analysis of the Group's revenue by geographical segments are as follows:

(a) Business segments

	Group turnover		Contribution to profit	
	Six months ended 30 June		Six months ended 30 June	
	2005	2004	**2005**	2004
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Restated)*
	$'000	*$'000*	***$'000***	*$'000*
Wholesale and retail of fashion wear and accessories	**92,620**	73,946	**1,164**	8,850
Telecommunications services	**2,976**	17,703*	**5,493**	4,247
Resort and recreational club operations	**8,848**	9,223	**(1,129)**	(796)
Investments and treasury	**8,884**	4,115	**6,559**	(9,219)
	113,328	104,987	**12,087**	3,082
Unallocated gains and expenses, net			**(1,090)**	(1,061)
Finance costs			**(250)**	(227)
Share of profits and losses of associates			**(1,432)**	(1,194)
Tax			**—**	38
			9,315	638

(b) Geographical segments

	Group turnover	
	Six months ended 30 June	
	2005	2004
	(Unaudited)	*(Unaudited)*
	$'000	*$'000*
Hong Kong	**110,312**	87,245
Mainland China	**2,152**	984
Other Asia Pacific regions	**807**	1,793
Europe	**54**	4,688
North America	**—**	10,274
Others	**3**	3
	113,328	104,987

* Turnover from the provision of telecommunications services for the six months ended 30 June 2004 included a sum of $10,224,000 received from a final transit carrier in respect of traffic revenue generated in prior years which was not recognised previously in view of the uncertainty of its collectibility.

4 OTHER INCOME AND GAINS

An analysis of other income and gains are as follows:

	Six months ended 30 June	
	2005	2004
	(Unaudited)	*(Unaudited)*
	$'000	*$'000*
Sub-leasing rental income	**502**	3,440
Management fees	**1,599**	1,672
Consulting services fees	**—**	257
Gain on disposal of a franchise business	**—**	4,519
Others	**1,351**	1,756
	3,452	11,644

5 FINANCE COSTS

Finance costs represented interest on bank loans wholly repayable within five years.

6 PROFIT BEFORE TAX

The Group's profit before tax was determined after charging/(crediting):

	Six months ended 30 June	
	2005	2004
	(Unaudited)	*(Restated)*
	$'000	*$'000*
Cost of goods sold	**50,197**	37,288
Amortisation of goodwill	**—**	311
Amortisation of prepaid land premiums	**39**	39
Depreciation	**3,718**	2,667
Dividend income	**(1,264)**	(1,048)
Interest income	**(7,619)**	(3,067)
Exchange gains, net	**(3,099)**	(2,080)
Gain on disposal of fixed assets	**(31)**	(328)
Net realised and unrealised (gains)/losses on investments in securities	**(4,752)**	4,965

7 TAX

No provision for Hong Kong profits tax and overseas income tax has been made in the condensed consolidated profit and loss account for the six months ended 30 June 2005 as the Company and its subsidiaries either did not generate any assessable profits for the period or had available tax losses brought forward from prior years to offset the assessable profits generated during the period (Six months ended 30 June 2004: Nil).

Tax included in the condensed consolidated profit and loss account for the six months ended 30 June 2004 represented over-provision of overseas profits tax in prior years.

No provision for deferred tax liabilities was made as at 30 June 2005 as the Company and its subsidiaries had tax losses brought forward which were sufficient to offset the taxable temporary differences at that date. Deferred tax assets have not been recognised in respect of these tax losses as they arose in subsidiaries that have either been loss-making for some time or whose availability of future taxable profits is unpredictable.

8 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company for the period of $8,941,000 (2004: Loss of $2,816,000 (as restated)) and the weighted average of 1,650,658,676 (2004: 1,650,658,676) ordinary shares in issue during the period.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for both periods have not been disclosed as no diluting events existed during these periods.

9 DIVIDEND

The directors do not recommend the payment of any interim dividend to shareholders (2004: Nil).

10 AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2005 *(Unaudited)* *$'000*	31 December 2004 *(Restated)* *$'000*
Listed equity investments, at fair value:		
Overseas	**908**	908
Unlisted equity investments, at cost, less impairment:		
Overseas	**35,379**	34,581
	36,287	35,489

Available-for-sale investments consist of investments in listed and unlisted shares and therefore have no fixed maturity date or coupon rate.

Certain unlisted equity investments are stated at cost, less impairment, because their fair values could not be reliably measured as at the balance sheet date.

11 TRADE RECEIVABLES

The Group maintains a defined credit policy for its trade customers and the credit terms vary according to the business activities. The financial strengths of and the period of business with individual customers are considered in determining the respective credit terms. Reviews of major receivables are conducted regularly.

An aged analysis of trade receivables as at 30 June 2005, based on invoice date and net of provisions, is as follows:

	30 June 2005 *(Unaudited)* *$'000*	31 December 2004 *(Audited)* *$'000*
0 - 1 month	**3,501**	7,305
2 - 3 months	**417**	993
Over 3 months	**2,865**	3,412
	6,783	11,710

12 TRADE AND OTHER PAYABLES

All trade and other payables are due within one month or on demand.

13 DEBENTURES

Each debenture holder is entitled to be a debenture member of the Hilltop Country Club (the "Club") operated by a subsidiary of the Group, Hill Top Country Club Limited, subject to the rules and bye-laws of the Club so long as the debentures shall remain outstanding, and has the right to use and enjoy all the facilities of the Club free of monthly subscription. At 30 June 2005, the redeemable periods of the Group's debentures were as follows:

	30 June 2005	31 December 2004
	(Unaudited)	*(Audited)*
	$'000	*$'000*
Within one year	**1,254**	954
In the second year	**2,910**	1,690
In the third to fifth year, inclusive	**5,220**	6,860
	8,130	8,550
	9,384	9,504

All redeemable debentures are non-interest-bearing and renewable upon maturity subject to the Group's consent.

14 SHARE OPTIONS

At 30 June 2005, the outstanding share options were as follows:

Date of grant	**Exercise price**	**Number of share options outstanding at 30 June 2005**
1 December 1999	$1.804	48,000
1 August 2000	$0.630	288,000
		336,000

These share options are exercisable before 29 December 2007.

At 30 June 2005, the Company had 336,000 share options outstanding under the share options schemes operated by the Company. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 336,000 additional ordinary shares of the Company and additional share capital of $3,360 and share premium of $265,000 (before issue expenses).

15 RESERVES

	Share premium account (Unaudited) $'000	Capital redemption reserve (Unaudited) $'000	Special reserve (Unaudited) $'000	Exchange reserve (Unaudited) $'000	Revaluation reserve (Unaudited) $'000	Accumulated losses (Unaudited) $'000	Total (Unaudited) $'000	Minority interests (Unaudited) $'000
At 1 January 2004								
As previously reported	1,189,721	478	808,822	2,008	33	(1,106,258)	894,804	20,006
Prior period adjustment:								
HKAS 17								
– Separation of the land and buildings components of owner-occupied properties *(notes 1(e) & 2(b))*	—	—	—	—	—	(44,129)	(44,129)	—
At 1 January 2004 (as restated)	1,189,721	478	808,822	2,008	33	(1,150,387)	850,675	20,006
Exchange realignment	—	—	—	(29)	—	—	(29)	—
Profit for the period (as restated)	—	—	—	—	—	(2,816)	(2,816)	3,454
At 30 June 2004 (as restated)	1,189,721	478	808,822	1,979	33	(1,153,203)	847,830	23,460
At 1 January 2005								
As previously reported	1,189,721	478	808,822	1,804	1,382	(1,092,642)	909,565	26,182
Prior period adjustment:								
HKAS 17								
– Separation of the land and buildings components of owner-occupied properties *(notes 1(e) & 2(a))*	—	—	—	—	—	(50,706)	(50,706)	—
At 1 January 2005 (as restated)	1,189,721	478	808,822	1,804	1,382	(1,143,348)	858,859	26,182
Exchange realignment	—	—	—	(51)	—	—	(51)	—
Profit for the period	—	—	—	—	—	8,941	8,941	374
At 30 June 2005	**1,189,721**	**478**	**808,822**	**1,753**	**1,382**	**(1,134,407)**	**867,749**	**26,556**

16 CONTINGENT LIABILITIES

At 30 June 2005, the Company or the Group had the following significant contingent liabilities:

(a) The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of $2,299,000 (31 December 2004: $3,414,000) as at 30 June 2005. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

(b) One of the telecommunications content providers of a subsidiary issued a letter through its solicitors in March 2002 claiming damages of US$1,500,000 (equivalent to HK$11,670,000) from that subsidiary in relation to rate changes applied by that subsidiary for services delivered by the content provider. The claimant also disputed traffic volumes generated in the past and claims to have been underpaid by at least US$2,736,000 (equivalent to HK$21,286,000).

Management has studied the allegations raised and sought legal advice on the subsidiary's legal rights and liabilities. Upon advice, the subsidiary has sought to refute most of the allegations and has made a counterclaim of approximately US$6,215,000 (equivalent to HK$48,353,000) in September 2002 for the return of sums advanced on account to the content provider due to uncollectibles, discrepancies arising on reconciliation of traffic volumes and other related items. Thereafter, there has been no communication in respect of the mentioned claims between the subsidiary and the content provider.

Based on the above, management considers that it is unlikely that any loss will arise, and accordingly, no provision has been made in the financial statements.

(c) The Company executed corporate guarantees to the extent of $342,000 (31 December 2004: $342,000) as part of the security for general banking facilities granted to certain subsidiaries of the Group.

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) The Group's material transactions with related parties during the period were as follows:

	Notes	Six months ended 30 June **2005** ***(Unaudited)*** ***$'000***	2004 *(Unaudited)* *$'000*
Sub-leasing rental income	(i)	**—**	1,573
Management fee income	(i)	**840**	653
Consultancy fees paid to a company in which a director (2004: the spouse of a director) of a subsidiary of the Group has controlling interest	(ii)	**708**	708
Rental expenses paid to a related company	(iii)	**728**	914

Notes:

(i) The sub-leasing rental and management fee income received from an associate arose from the sub-lease of a shop unit and the provision of shop management services to the associate, respectively, in accordance with the respective agreements between the Group and the associate.

(ii) The consultancy services provided to a subsidiary were charged at $118,000 per month in accordance with the agreement between the subsidiary and the related company.

(iii) The rental expenses paid to a company controlled by a substantial shareholder of the Company were determined in accordance with an agreement which was entered into by reference to relevant industry practice.

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June **2005** ***(Unaudited)*** ***$'000***	2004 *(Unaudited)* *$'000*
Short term employee benefits	**7,042**	6,129
Post-employment benefits	**102**	102
Total compensation paid to key management personnel	**7,144**	6,231

18 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period's presentation.

19 APPROVAL OF INTERIM FINANCIAL REPORT

The unaudited interim financial report was approved and authorised for issue by the board of directors on 23 September 2005.

INDEPENDENT REVIEW REPORT

ERNST & YOUNG
安永會計師事務所

To the Board of Directors
of ENM Holdings Limited

We have been instructed by the Company to review the interim financial report set out on pages 1 to 20.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors. It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of Group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

Ernst & Young
Certified Public Accountants

Hong Kong, 23 September 2005

Change of company name

Pursuant to a special resolution passed on 3 June 2005, the name of the Company has been changed from "e-New Media Company Limited 安寧數碼科技有限公司" to "ENM Holdings Limited 安寧控股有限公司" with effect from 24 June 2005.

Interim dividend

The directors do not recommend the payment of an interim dividend for the reporting period.

Chief executive officer's statement

FINANCIAL REVIEW

Benefiting from the continuous recovery of the Hong Kong and Asia economies, the Group achieved satisfactory results for the six months ended 30 June 2005. For the period under review, the Group reported a turnover of HK$113,328,000 (2004: HK$104,987,000) which represents an increase of 8% as compared to the corresponding period in 2004. Consolidated profit attributable to equity holders of the Company amounted to HK$8,941,000 (2004: Loss of HK$2,816,000 (as restated)) for the period ended 30 June 2005. The reported profit represented a substantial improvement and turnaround in operation as compared to the results of the corresponding period in 2004.

LIQUIDITY AND FINANCIAL POSITION

The Group was in solid financial position with cash and deposit holdings of HK$546,781,000 (31 December 2004: HK$581,349,000). At 30 June 2005, total borrowings amount to HK$21,693,000 (31 December 2004: HK$21,308,000) with HK$13,563,000 (31 December 2004: HK$12,758,000) repayment falling due within one year. The Group's gearing ratio (a comparison of total borrowings with total equity) was 2.4% at the interim period end date (31 December 2004: 2.4%). The current ratio at 30 June 2005 was 9.5 times (31 December 2004: 8.1 times).

At 30 June 2005, the Group's borrowings and bank balances were primarily denominated in Hong Kong dollars, United States dollars and Euros and exchange differences were reflected in the interim financial report. All borrowings of the Group are either interest free or on a floating rate basis.

The Group's imported purchases are mainly denominated in Euros and United States dollars. The Group will from time to time review its foreign exchange position and will consider hedging its foreign exchange exposure by way of forward foreign exchange contract in appropriate situations.

PLEDGE OF ASSETS

Pledges of the Group's fixed deposits of US$44,000 (31 December 2004: US$44,000) were given to banks to secure general banking facilities to the extent of US$44,000 as at 30 June 2005 (31 December 2004: US$44,000).

EMPLOYEE AND REMUNERATION POLICIES

At the date of this report, the Group employs a total of 289 full time staff with its main workforce stationed in the Group's offices in Hong Kong. The Group's remuneration policies are performance based and are in line with the salary trends in the respective locations. The Group provides employee benefits such as staff insurance schemes, provident and pension funds, discretionary performance bonus, external training support, and a performance based share option scheme.

BUSINESS REVIEW

Fashion Retail

The Swank Shop Limited ("Swank")

Swank continued to benefit from Hong Kong's sustained economic recovery. Despite unusual weather patterns in the first half of the year, a phenomenon which hurt the fashion retail industry generally, Swank's turnover rose 27% as compared to the same period last year. Parts of such increase are attributable to the increase in points of sale. Total floor area for sale of merchandise increased from 31,000 sqf to 38,000 sqf which includes the Roberto Cavalli flagship (opened in June 2005). After netting out the effect of the expansion of new shops, Swank recorded a 20% same store growth over the same period under review.

Management believes that sales turnover will continue to rise in face of expected continued economic recovery of Hong Kong in the second half of the year.

Resort and Recreational Club Operations

Shanghai Hilltop Country Club ("Shanghai Hilltop")

Management expects that all renovation work of Shanghai Hilltop will be completed by the end of this year and Shanghai Hilltop will be opened officially in the beginning of 2006.

Upon completion of the renovation and alteration works, Shanghai Hilltop will mainly comprise a Hotel Building, a Clubhouse Building, other ancillary structures and certain outdoor recreational facilities including golf driving range, tennis courts and outdoor swimming pool.

The Hotel Building is a four-star hotel, which provides around 300 guest rooms. It will be facilitated with Chinese and Western restaurants and multi-purpose conference rooms. The Clubhouse Building will be facilitated with indoor swimming pools, spa, gymnasium, a multi-function sport centre with badminton courts, table-tennis room, chess room and activity centre, etc.

In the meantime, Shanghai Landis Hospitality Management Co. Ltd, the management company of Shanghai Hilltop, is scheduling and designing various marketing and promotion activities to introduce Shanghai Hilltop to target customers.

Hong Kong Hilltop Country Club ("Hong Kong Hilltop")

Revenue generated by Hong Kong Hilltop for the period ending June 2005 is substantially similar to the results of the same period last year.

Gross profit on the Food and Beverage business improved slightly due to an increase in the revenue of such business. Revenue generated by Lodge sales were affected as demand lessened and the average tariff for rooms decreased, mainly as a result of stiff and increased competition by new and established hotels respectively.

The business of providing for meetings, seminar and training events generated good results as there were steady demand for such services. Management expects that this trend will continue for the rest of the year.

Hong Kong Hilltop is currently undergoing repair and maintenance projects to comply with certain licensing requirements, and Management is currently studying the viability of further upgrading the facilities at Hong Kong Hilltop.

Bio-Medical

Genovate Biotechnology Company Limited ("Genovate")

Genovate (founded in Taiwan in 1993 by Genelabs Technologies, Inc. of the USA) is a fully integrated pharmaceutical company, encompassing in its operation: new drug development and new formulation capability; clinical trials for local and international pharmaceutical companies; drug manufacturing; drug marketing and distribution in Taiwan.

Genovate has a range of new drug products in the pipeline. "Genetaxyl" is an improved version of Paclitaxel (BMS' Taxol) developed by Genovate for treatment of breast cancer, and its market share in Taiwan has increased favourably. In addition, two marketed new drugs, Urotrol and Glusafes, received positive market acceptance in Taiwan. Furthermore, in early 2005, for the first time Taiwan has granted approval for the sale of two "once a day" new drugs, Loxol SR (mucolytic agent) and Diabetrol (antidiabetic agent) SR. The drugs are expected to launch shortly in Taiwan. Such flow of new drugs will further strengthen Genovate's sales.

Telecommunications

International Premium Rate Services ("IPRS")

Certain success were achieved in the opening up of the China market as Management had taken certain actions and are in the process of securing various licenses required to operate "value-added" telecommunications services in China.

The IPRS market during the first half of 2005 remained in very difficult conditions and Management does not envisage major recovery of such business or reverse in direction of major carriers around the world.

Management had put in relentless effort and is diligently engaged in the process of debt recovery and will continue to monitor the situation closely.

Wireless Network Card Business - Shanghai ENM Telecom & Technologies Limited ("SENMTT")

The core business of SENMTT is to provide customers with wireless internet access services through mobile network and the distribution of GPRS and CDMA1X network cards in the Shanghai region through its cooperation with China Mobile Shanghai and China Unicom Shanghai. Besides such businesses, Management plans to diversify existing business by broadening SENMTT's product range. SENMTT will continue to look for opportunities to apply its cooperation model with China Unicom and other telecom operators for other consumer products/services.

Other Investments

SinoPay.com Holdings Limited ("SinoPay")

SinoPay's main business is providing B2C electronic payment and Intra-bank fund transfer solution services in China through its Joint Venture (the "JV") in Shanghai with China UnionPay. Due to the popularity of internet and on-line purchase in China, the income from on-line payment grew steadily during the first six months of this year. The introduction of on-line mutual fund transaction also has contribution to SinoPay's income.

The merger transaction between the JV and 廣州好易聯支付網絡公司 ("Easylink") is in progress and is targeted to be completed by the end of this year.

Other Investments (continued)

Beijing Smartdot Technologies Co. Ltd. ("Smartdot")

Smartdot is engaged in the development of software and solution projects in China and its core business is in the area of e-government projects and office automation. The six-month turnover and profit were RMB20,407,000 and RMB1,161,000 respectively (2004: turnover was RMB6,196,000 with a loss of RMB2,777,000).

CONNECTED TRANSACTIONS

On 26 August 2004, the Company entered into a surrender agreement with Hollywood Palace Company Limited (the "Landlord"), a company controlled by a substantial shareholder, to terminate a tenancy agreement dated 28 May 2003 (the "Old Tenancy Agreement"). On the same day, a new tenancy agreement (the "New Tenancy Agreement") was entered into between the same parties in respect of the leases of certain premises under the Old Tenancy Agreement for a period of eight months from 1 September 2004 with the monthly rent reduced from HK$157,948 under the Old Tenancy Agreement to HK$113,260 as a result of a reduction in the total leased area from 11,282 square feet to 8,090 square feet under the New Tenancy Agreement.

On 28 April 2005, the Company entered into a tenancy agreement with the Landlord in respect of the renewal of leases of the same premises under the New Tenancy Agreement for a term of two years commencing 1 May 2005 at a monthly rent of HK$145,620.

AUDIT COMMITTEE

The Company has an audit committee which was established pursuant to the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises of one non-executive director and three independent non-executive directors of the Company. The interim financial report for the six months ended 30 June 2005 has been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company has a remuneration committee which was established pursuant to the requirements of the Listing Rules. The remuneration committee comprises of two independent non-executive directors namely Dr. Cecil Sze Tsung CHAO and Mr. Ian Grant ROBINSON and one executive director namely Mr. Joseph Wing Kong LEUNG.

Directors' interests in shares

At 30 June 2005, the interest of a director in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, was as follows:

Long position in ordinary shares of HK$0.01 each of the Company:

Name of director	Number of shares held through a controlled corporation	Percentage of the Company's issued share capital
Mr. Joseph Wing Kong LEUNG	200,000	0.012%

Save as disclosed above, as at 30 June 2005, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Share option scheme

In an Extraordinary General Meeting of the Company held on 14 June 2002, the shareholders of the Company formally approved the termination of the share option scheme adopted on 30 December 1997 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme"), in compliance with the amended Chapter 17 of the Listing Rules and for the purpose of providing the Company with flexible means of providing incentives and rewards to executive directors and employees for their contribution to the Group. A summary of the principal terms of the New Scheme was sent to the shareholders of the Company in a circular dated 28 May 2002. All new options shall be granted under the terms and conditions of the New Scheme. No options have yet been granted under the New Scheme.

All outstanding options granted under the Old Scheme shall remain valid and exercisable under the provisions of the Old Scheme.

Details of the outstanding share options as at 30 June 2005 were as follows:

	Number of options outstanding at the beginning of the period	Number of options lapsed during the period	Number of options outstanding at the period end	Date granted	Price per share on exercise of options
Granted under the Old Scheme:					
Employees	636,000	300,000	336,000	11 October 1999 to 1 August 2000	HK$0.63 to HK$1.804

ENM Holdings Limited

SHARE OPTION SCHEME (continued)

Share options under the Old Scheme are exercisable before 29 December 2007.

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

At 30 June 2005, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of HK$0.01 each of the Company:

Name	Direct interests	Indirect interests	Number of shares held	Percentage of the Company's issued share capital
Diamond Leaf Limited	162,884,503	—	162,884,503	9.8%
Solution Bridge Limited	408,757,642	—	408,757,642	24.8%
Ms. Nina KUNG *(Note)*	—	571,642,145	571,642,145	34.6%

Note: The interest disclosed under Ms. Nina KUNG represents her deemed interests in the shares of the Company by virtue of her interests in Diamond Leaf Limited and Solution Bridge Limited.

Save as disclosed above, as at 30 June 2005, no person had registered an interest in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2005.

Code on corporate governance practices

None of the directors of the Company are aware of any information that would reasonably indicate that the Company is not or was not for any part of the six months ended 30 June 2005 in compliance with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules except for the deviations in respect of the service term and rotation of directors under code provisions A.4.1 and A.4.2 of the Code.

Under code provisions A.4.1 and A.4.2 of the Code, (a) non-executive directors should be appointed for a specific term and subject to re-election, and (b) all directors appointed to fill casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Articles of Association of the Company, any director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. At each annual general meeting, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring directors shall be eligible for re-election. As there are eight directors, and one-third of them shall retire subject to rotation, and barring unforeseen resignation/retirement during the year, each director is effectively appointed under a term of more than 3 years.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of all directors, all directors have complied with the required standard set out in the Model Code during the six months ended 30 June 2005.

Board of directors

As at the date of this report, the executive directors of the Company are Mr. Joseph Wing Kong LEUNG (Chairman), Mr. James C. NG (Chief Executive Officer), Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG; the non-executive director is Mr. Raymond Wai Pun LAU; and the independent non-executive directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN and Mr. Ian Grant ROBINSON.

By order of the Board
James C. Ng
Chief Executive Officer

Hong Kong, 23 September 2005