

INTERIM  
REPORT  
2012



## INDEPENDENT REVIEW REPORT



### TO THE BOARD OF DIRECTORS OF ENM HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

#### INTRODUCTION

We have reviewed the interim financial information set out on pages 2 to 22 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2012 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review 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.

#### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

#### **RSM Nelson Wheeler**

Certified Public Accountants  
Hong Kong

29 August 2012



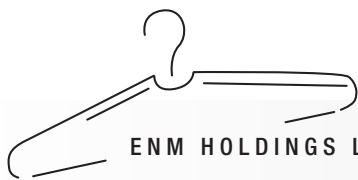
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

		Six months ended 30 June	
Note	2012 HK\$'000 ( <i>unaudited</i> )	2011 HK\$'000 ( <i>unaudited</i> )	
<b>Continuing operations</b>			
<b>Revenue</b>	<b>153,115</b>	147,318	
Cost of sales	<b>(61,851)</b>	(57,955)	
<b>Gross profit</b>	<b>91,264</b>	89,363	
Other income	<b>3,086</b>	3,276	
Selling and distribution costs	<b>(56,704)</b>	(50,638)	
Administrative expenses	<b>(39,849)</b>	(34,269)	
Depreciation and amortisation	<b>(9,373)</b>	(7,256)	
Other operating gains/(losses), net	<b>15,521</b>	(2,571)	
<b>Profit/(loss) from operations</b>	<b>3,945</b>	(2,095)	
Fair value losses on investment properties, net	<b>(800)</b>	(2,400)	
Deficits write-back on revaluation of resort and recreational club properties	<b>1,200</b>	831	
Finance costs	<b>(359)</b>	(434)	
Share of losses of an associate	<b>(1,849)</b>	(241)	
<b>Profit/(loss) before tax</b>	<b>2,137</b>	(4,339)	
Income tax expense	—	—	
<b>Profit/(loss) for the period from continuing operations</b>	<b>2,137</b>	(4,339)	
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	—	37,064	
<b>Profit for the period</b>	<b>2,137</b>	32,725	

**CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

		<b>Six months ended 30 June</b>	
Note	<b>2012 HK\$'000 (unaudited)</b>	2011 HK\$'000 (unaudited)	
<b>Attributable to:</b>			
<b>Owners of the Company</b>			
	Profit/(loss) from continuing operations	2,145	(4,339)
	Profit from discontinued operation	—	37,088
	Profit attributable to owners of the Company	<u>2,145</u>	<u>32,749</u>
<b>Non-controlling interests</b>			
	Loss from continuing operations	(8)	—
	Loss from discontinued operation	—	(24)
	Loss attributable to non-controlling interests	<u>(8)</u>	<u>(24)</u>
		<u><b>2,137</b></u>	<u>32,725</u>

		<b>Six months ended 30 June</b>	
	<b>2012 HK\$ (unaudited)</b>	2011 HK\$ (unaudited)	
<b>Earnings/(loss) per share</b>			
	From continuing and discontinued operations		
	– basic	8(a)(i) <u>0.13 cents</u>	<u>1.98 cents</u>
	– diluted	8(b) <u>N/A</u>	<u>N/A</u>
	From continuing operations		
	– basic	8(a)(ii) <u>0.13 cents</u>	<u>(0.26 cents)</u>
	– diluted	8(b) <u>N/A</u>	<u>N/A</u>

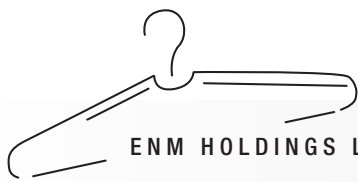
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Six months ended 30 June	
	2012 HK\$'000 ( <i>unaudited</i> )	2011 HK\$'000 ( <i>unaudited</i> )
<b>Profit for the period</b>	<b>2,137</b>	32,725
<b>Other comprehensive income/(loss):</b>		
Exchange differences on translating foreign operations	4	48
Fair value changes of available-for-sale equity investments	50,427	—
Fair value changes of available-for-sale debt investments	4,588	(1,809)
Release of revaluation reserve to the income statement upon disposal of available-for-sale debt investments	—	(4,538)
Release of revaluation reserve to the income statement upon disposal of available-for-sale equity investments	(12,563)	—
Release of exchange fluctuation reserve to the income statement upon disposal of available-for-sale equity investments	(895)	—
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>41,561</b>	(6,299)
<b>Total comprehensive income for the period</b>	<b>43,698</b>	26,426
<b>Attributable to:</b>		
Owners of the Company	43,706	26,450
Non-controlling interests	(8)	(24)
	<b>43,698</b>	26,426



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2012**

	Note	30 June 2012 HK\$'000 (unaudited)	31 December 2011 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	100,196	101,910
Investment properties		97,200	98,000
Intangible assets		1,509	1,551
Interest in an associate		17,492	18,965
Financial assets at fair value through profit or loss	11	132,400	123,600
Available-for-sale equity investments	12	90,410	39,983
Available-for-sale debt investments - note receivables	13	39,413	20,697
<b>Total non-current assets</b>		<b>478,620</b>	<b>404,706</b>
<b>Current assets</b>			
Inventories		69,321	56,053
Trade receivables	14	3,116	3,471
Prepayments, deposits and other receivables		58,150	31,860
Financial assets at fair value through profit or loss	11	192,199	211,847
Available-for-sale equity investments	12	—	23,849
Pledged bank deposits		11,000	11,000
Time deposits		277,831	293,896
Cash and bank balances		76,281	79,785
<b>Total current assets</b>		<b>687,898</b>	<b>711,761</b>
<b>Current liabilities</b>			
Trade and other payables	15	39,409	36,895
Interest-bearing bank and other borrowings		7,348	1,508
Current portion of debentures	16	1,792	2,602
<b>Total current liabilities</b>		<b>48,549</b>	<b>41,005</b>
<b>Net current assets</b>		<b>639,349</b>	<b>670,756</b>
<b>Total assets less current liabilities</b>		<b>1,117,969</b>	<b>1,075,462</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (CONT'D)  
**AT 30 JUNE 2012**

	Note	<b>30 June 2012</b> HK\$'000 <i>(unaudited)</i>	31 December 2011 HK\$'000 <i>(audited)</i>
<b>Total assets less current liabilities</b>		<b>1,117,969</b>	1,075,462
<b>Non-current liabilities</b>			
Debentures	16	<b>3,563</b>	3,246
Deferred revenue		<b>9,065</b>	10,573
<b>Total non-current liabilities</b>		<b>12,628</b>	13,819
<b>NET ASSETS</b>		<b>1,105,341</b>	1,061,643
<b>Capital and reserves</b>			
Issued capital	17	<b>16,507</b>	16,507
Reserves		<b>1,087,933</b>	1,044,227
Equity attributable to owners of the Company		<b>1,104,440</b>	1,060,734
Non-controlling interests		<b>901</b>	909
<b>TOTAL EQUITY</b>		<b>1,105,341</b>	1,061,643

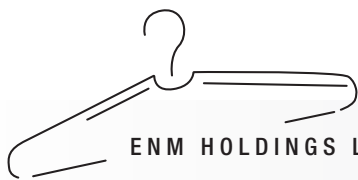


**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

(Unaudited)

	Attributable to owners of the Company									
	Issued capital	Share premium account	Capital redemption reserve	Special reserve	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2011	16,507	1,189,721	478	808,822	6,053	10,669	(1,022,971)	1,009,279	867	1,010,146
Total comprehensive income and changes in equity for the period	—	—	—	—	(6,347)	48	32,749	26,450	(24)	26,426
At 30 June 2011	<u>16,507</u>	<u>1,189,721</u>	<u>478</u>	<u>808,822</u>	<u>(294)</u>	<u>10,717</u>	<u>(990,222)</u>	<u>1,035,729</u>	<u>843</u>	<u>1,036,572</u>
At 1 January 2012	<b>16,507</b>	<b>1,189,721</b>	<b>478</b>	<b>808,822</b>	<b>20,871</b>	<b>11,053</b>	<b>(986,718)</b>	<b>1,060,734</b>	<b>909</b>	<b>1,061,643</b>
Total comprehensive income and changes in equity for the period	—	—	—	—	42,452	(891)	2,145	43,706	(8)	43,698
At 30 June 2012	<u><b>16,507</b></u>	<u><b>1,189,721</b></u>	<u><b>478</b></u>	<u><b>808,822</b></u>	<u><b>63,323</b></u>	<u><b>10,162</b></u>	<u><b>(984,573)</b></u>	<u><b>1,104,440</b></u>	<u><b>901</b></u>	<u><b>1,105,341</b></u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2012*

	Six months ended 30 June	
	2012 HK\$'000 <i>(unaudited)</i>	2011 HK\$'000 <i>(unaudited)</i>
<b>Net cash used in operating activities</b>	<b>(10,875)</b>	(374)
<b>Net cash used in investing activities</b>	<b>(18,898)</b>	(4,634)
<b>Net cash generated from/(used in) financing activities</b>	<b>5,001</b>	(15,746)
<b>Net decrease in cash and cash equivalents</b>	<b>(24,772)</b>	(20,754)
Cash and cash equivalents at beginning of period	<b>373,324</b>	355,586
Effect of foreign exchange rate changes, net	—	4
<b>Cash and cash equivalents at end of period</b>	<b>348,552</b>	334,836
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>76,281</b>	64,042
Non-pledged time deposits with original maturity of less than three months when acquired	<b>272,271</b>	270,794
	<b>348,552</b>	334,836



## **NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 30 JUNE 2012**

### **1. BASIS OF PREPARATION**

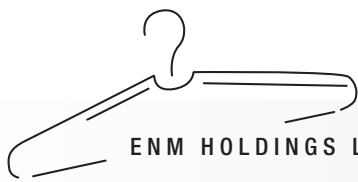
These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These condensed financial statements should be read in conjunction with the 2011 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2011 except as stated below.

### **2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.



**3. SEGMENT INFORMATION**

	Wholesale and retail of fashion wear and accessories HK\$'000 <i>(unaudited)</i>	(Discontinued operation) Tele- communications operation HK\$'000 <i>(unaudited)</i>	Resort and recreational club operations HK\$'000 <i>(unaudited)</i>	Investments and treasury HK\$'000 <i>(unaudited)</i>	Total HK\$'000 <i>(unaudited)</i>
<b>6 months ended 30 June 2012:</b>					
Revenue from external customers	<b>139,629</b>	—	<b>7,353</b>	<b>6,133</b>	<b>153,115</b>
Segment profit/(loss)	<b>890</b>	—	<b>(2,065)</b>	<b>8,319</b>	<b>7,144</b>
<b>As at 30 June 2012:</b>					
Segment assets	<b>164,715</b>	—	<b>164,823</b>	<b>819,488</b>	<b>1,149,026</b>
<b>6 months ended 30 June 2011:</b>					
Revenue from external customers	133,340	43,205	8,638	5,340	190,523
Segment profit/(loss)	6,794	37,064	(1,318)	(4,994)	37,546
<b>As at 31 December 2011:</b>					
Segment assets, audited	<u>140,414</u>	—	<u>170,077</u>	<u>787,011</u>	<u>1,097,502</u>

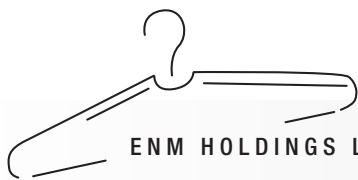


### 3. SEGMENT INFORMATION (CONT'D)

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Reconciliations of segment profit or loss:</b>		
Total profit or loss of reportable segments	<b>7,144</b>	37,546
Unallocated corporate administrative expenses	<b>(3,199)</b>	(2,577)
Share of losses of an associate	<b>(1,849)</b>	(241)
Fair value losses on investment properties, net	<b>(800)</b>	(2,400)
Deficits write-back on revaluation of resort and recreational club properties	<b>1,200</b>	831
Finance costs	<b>(359)</b>	(434)
Elimination of discontinued operation	—	(37,064)
Consolidated profit/(loss) for the period from continuing operations	<b>2,137</b>	(4,339)

### 4. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on bank loans and overdrafts	<b>299</b>	356
Interest on finance leases	—	1
Accretion of interest on debentures	<b>60</b>	77
	<b>359</b>	434



## 5. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax and overseas income tax is required for the six months periods ended 30 June 2012 and 2011 since the Group has no assessable profit in Hong Kong and other countries in which the Group operates or has sufficient tax losses brought forward to set off against the assessable profits for both periods.

## 6. DISCONTINUED OPERATION

In December 2010, the Group decided to discontinue the telecommunications operation which constitutes a major line of business. The related telecommunications equipments are ceased to be used.

The results of the discontinued operation for the six months ended 30 June 2011, which have been included in condensed consolidated income statement, are as follows:

	HK\$'000 <i>(unaudited)</i>
Revenue	43,205
Administrative expenses	(6,111)
Depreciation and amortisation	(12)
Other operating losses, net	(18)
	<hr/>
Profit before tax	37,064
Income tax expense	—
	<hr/>
Profit for the period	<u>37,064</u>

The revenue from discontinued operation for the six months ended 30 June 2011 represented the recovery of disputed services fee income amounting to approximately US\$5,500,000 from an international telecommunications carrier arose in previous years. No revenue and expenses were recognised for the discontinued operation for the six months ended 30 June 2012.



## 7. PROFIT FOR THE PERIOD

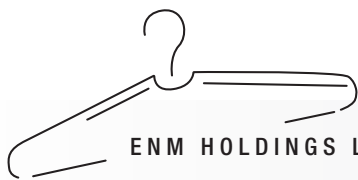
The Group's profit for the period is arrived at after charging/(crediting):

	Six months ended	
	30 June	
	2012	2011
	HK\$'000	HK\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cost of inventories sold <sup>^</sup>	<b>61,783</b>	57,868
Interest income <sup>#</sup>	<b>(4,390)</b>	(3,521)
Dividend income <sup>#</sup>	<b>(1,744)</b>	(1,819)
Amortisation of intangible assets	<b>42</b>	42
Depreciation	<b>9,331</b>	7,226
Directors' remuneration	<b>4,377</b>	3,768
Foreign exchange gains, net*	<b>(3,933)</b>	(860)
Losses/(gains) from financial assets at fair value through profit or loss, net*:		
Held-for-trading		
Interest income	<b>(1,009)</b>	(352)
Fair value losses, net	<b>13,000</b>	16,803
Gain on disposal, net	<b>(1,305)</b>	(1,152)
	<b>10,686</b>	15,299
Designated as such upon initial recognition		
Interest income	<b>(9,524)</b>	(7,895)
Fair value losses	<b>725</b>	134
	<b>(8,799)</b>	(7,761)
Gain on disposal of available-for-sales debt investments*	—	(4,004)
Gain on disposal of available-for-sales equity investments*	<b>(13,475)</b>	—
Gain on disposal of property, plant and equipment*	—	(62)
Fair value losses on investment properties, net	<b>800</b>	2,400
Charge for inventories allowances	<b>8,325</b>	2,581
Write back of accrued payables*	—	(23)

<sup>^</sup> Cost of inventories sold included charge for inventories allowances of HK\$8,325,000 (2011: HK\$2,581,000).

<sup>#</sup> These amounts are included in "Revenue" from continuing operations.

\* These amounts are included in "Other operating gains/(losses), net" from continuing and discontinued operations.



## 8. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

(i) *From continuing and discontinued operations*

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$2,145,000 (2011: HK\$32,749,000) and the weighted average number of ordinary shares of 1,650,658,676 (2011: 1,650,658,676) in issue during the period.

(ii) *From continuing operations*

The calculation of basic earnings (2011: loss) per share from continuing operations attributable to owners of the Company is based on the profit for the period from continuing operations attributable to owners of the Company of HK\$2,145,000 (2011: loss of HK\$4,339,000) and the denominator used is the same as that detailed above for basic earnings per share.

(iii) *From discontinued operation*

For the six months ended 30 June 2011, the calculation of basic earnings per share from discontinued operation of 2.25 HK cents is based on the profit for the period from discontinued operation attributable to the owners of the Company of HK\$37,088,000 and the denominator used is the same as those detailed above for basic earnings per share.

### (b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share from continuing and discontinued operations are presented as the Company did not have any dilutive potential ordinary shares during the six months periods ended 30 June 2012 and 2011.

## 9. DIVIDENDS

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2012 (2011: Nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group acquired property, plant and equipment of approximately HK\$6,417,000 (30 June 2011: HK\$2,368,000).

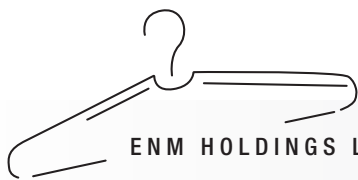


## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Listed investments, at fair value ( <i>note a</i> ):		
Hong Kong	<b>164,715</b>	175,582
Outside Hong Kong	<b>15,478</b>	24,308
	<hr/>	<hr/>
Market value of listed investments	<b>180,193</b>	199,890
	<hr/>	<hr/>
Unlisted investments, at fair value:		
Convertible bonds ( <i>note b</i> )	<b>132,400</b>	123,600
Others ( <i>note c</i> )	<b>12,006</b>	11,957
	<hr/>	<hr/>
	<b>144,406</b>	135,557
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	<b>324,599</b>	335,447
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Analysed as:		
Current assets	<b>192,199</b>	211,847
Non-current assets	<b>132,400</b>	123,600
	<hr/>	<hr/>
	<b>324,599</b>	335,447
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- (a) The listed investments at 30 June 2012 and 31 December 2011 were classified as held for trading. The fair values of listed investments are based on quoted market prices.





**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)**

(b) On 7 February 2010, the Group entered into the Convertible Bonds Subscription Agreement with Skyjoy Assets Management Limited (“Skyjoy”) and two other subscribers. Pursuant to the agreement, Skyjoy had conditionally agreed to issue guaranteed secured convertible bonds in the principal amount of HK\$400,000,000 to the subscribers (the “Subscription”), of which HK\$100,000,000 was subscribed by the Group (the “Unlisted Convertible Bonds”). Skyjoy and its subsidiary, which are principally engaged in property investment and development in the PRC, have the ultimate beneficial interest of the land with a site area of approximately 62,000 square meters in Shijiazhuang, PRC. If the Group converts the Unlisted Convertible Bonds in full, 900 shares of US\$1.00 each representing 9% of the issued share capital of Skyjoy on a fully diluted basis will be issued to the Group.

The Subscription was completed on 9 July 2010. The maturity date of the Unlisted Convertible Bonds is the fifth anniversary from the issue date and the conversion period is from the expiry of three years from the issue date up to maturity. Details of the principal terms of the Unlisted Convertible Bonds are set out in the Company’s announcement dated 7 February 2010. The Unlisted Convertible Bonds were designated as financial assets at fair value through profit or loss. The Group intended to hold the Unlisted Convertible Bonds for long-term investment purposes.

The fair value of the Unlisted Convertible Bonds at end of each reporting date are determined with reference to the valuation performed by CB Richard Ellis Limited, a firm of independent professional qualified valuers, using the binomial model. The major input of the binomial model is the fair value of the equity interest of Skyjoy derived by assets approach, which is used as the share price input into the binomial mode. Other key inputs and assumptions used in the valuation model are as follows:

	<b>30 June 2012</b>	31 December 2011
Expected volatility	<b>43.75%</b>	36.54%
Expected life	<b>2.99 years</b>	3.49 years
Risk free rate	<b>0.40%</b>	1.01%
Discount rate	<b>23.11%</b>	25.42%

Interest income from the Unlisted Convertible Bonds is recognised based on effective interest rates at 19.66%.

(c) Other unlisted investments at 30 June 2012 and 31 December 2011 included debt investments and were classified as held for trading. The fair values of the unlisted investments are based on the price quoted by the issuer/bank. The directors believe that the estimated fair value quoted by the issuer/bank is reasonable, and that it is the most appropriate value at the end of the reporting period.



## 12. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Equity investment listed outside		
Hong Kong, at fair value ( <i>note a</i> )	<b>90,410</b>	39,983
Unlisted equity investments, at fair value ( <i>note b</i> )	—	23,849
	<b>90,410</b>	63,832
Analysed as:		
Current assets	—	23,849
Non-current assets	<b>90,410</b>	39,983
	<b>90,410</b>	63,832

Notes:

(a) **Listed equity investment - Genovate Biotechnology Company Limited (“Genovate”)**

Genovate is a fully integrated specialty pharmaceutical company that focuses on new drug development, drug manufacturing, drug marketing and distribution in Taiwan and the region.

On 5 January 2012, Genovate made its initial public offering for the proposed floating of its shares on the regular market of GreTai Security Market (“GTSM”) in Taiwan. On 12 January 2012, Genovate’s shares were officially listed on the GTSM. Based on the initial public offer price, the directors estimated the fair value of the investment in Genovate amounted to HK\$39,983,000 as at 31 December 2011.

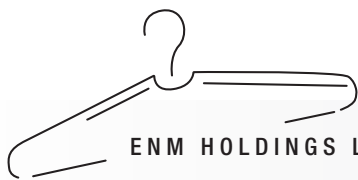
The fair value of the investment in Genovate as at 30 June 2012 was based on quoted market price.

(b) **Unlisted equity investments**

(i) Beijing Smartdot Technologies Co. Ltd. (“Smartdot”)

Smartdot is engaged in the development of office automation software and solution projects in the PRC.

On 16 January 2012, the Group entered into two disposal agreements whereby the Group agreed to dispose of its entire equity interests in Smartdot to independent third parties for a total consideration of RMB17,927,000 (equivalent to approximately HK\$21,872,000). Details of the above were set out in the Company’s announcement dated 16 January 2012. The disposal was completed on 29 January 2012.



**12. AVAILABLE-FOR-SALE EQUITY INVESTMENTS (CONT'D)**

Notes (CONT'D):

- (ii) SinoPay.com Holdings Limited ("SinoPay")

SinoPay is an investment holding company which had an effective interest of approximately 0.29% in China UnionPay Merchant Services Co., Ltd. ("China UMS") as at 31 December 2010. China UMS is a subsidiary of China UnionPay and mainly engages in the bankcard acquiring and e-payment business in the PRC with dominant market position.

During the year ended 31 December 2011, SinoPay disposed of its entire equity interests in China UMS. Part of the proceeds from the disposals less transaction costs and taxation are distributed to the shareholders of SinoPay by way of dividend in December 2011. During the six months period ended 30 June 2012, SinoPay applied for members' voluntary winding-up. The liquidation was completed subsequent after the reporting period. Final distribution of HK\$7,262,000 was received by the Group and a gain on disposal of HK\$17,000 was recognised in profit or loss for the period (2011: Nil).

**13. AVAILABLE-FOR-SALE DEBT INVESTMENTS - NOTE RECEIVABLES**

	<b>30 June</b>	31 December
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	<b>(audited)</b>
Listed senior notes*, at fair value:		
Market value of listed senior notes	<b>39,413</b>	<b>20,697</b>

\* Listed as selectively marketed securities on The Singapore Exchange Securities Trading Limited.

At 30 June 2012, the Group held listed senior notes with an aggregate principal amount of US\$5,175,000 (equivalent to HK\$40,262,000) (31 December 2011: US\$3,360,000 (equivalent to HK\$26,141,000)), which were mainly issued/guaranteed by companies listed on The Stock Exchange of Hong Kong Limited or The Singapore Exchange Securities Trading Limited. The fair value of the listed senior notes is based on quoted market prices. The senior notes have maturity dates ranging from 16 February 2015 to 3 August 2017 (31 December 2011: 11 August 2015 to 3 August 2017).

Interest income from the listed senior notes is recognised based on effective interest rate ranging from 5.41% to 11.45% (31 December 2011: 9.10% to 11.45%).



#### 14. TRADE RECEIVABLES

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by management.

An ageing analysis of trade receivables, based on the invoice date and net of impairment, is as follows:

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Within 1 month	<b>2,560</b>	3,185
2 to 3 months	<b>529</b>	262
Over 3 months	<b>27</b>	24
	<b>3,116</b>	3,471

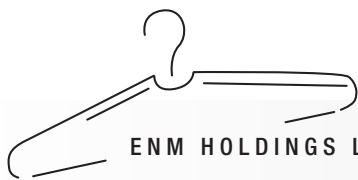
#### 15. TRADE AND OTHER PAYABLES

Included in the Group's trade and other payables as at 30 June 2012 are trade and bills payables of HK\$14,630,000 (31 December 2011: HK\$11,328,000).

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

An ageing analysis of the trade and bills payables, based on the invoice date, is as follows:

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Within 1 month	<b>14,511</b>	11,288
2 to 3 months	<b>103</b>	23
Over 3 months	<b>16</b>	17
	<b>14,630</b>	11,328



## 16. DEBENTURES

Each debenture holder is entitled to be a debenture member of the Hilltop Country Club (the "Club") operated by a subsidiary of the Company, Hill Top Country Club Limited, subject to the rules and by-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 from payment of monthly subscription. At the end of the reporting period, the redeemable periods of the Group's debentures carried at amortised cost were as follows:

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Within one year classified as current liabilities	<b>1,792</b>	2,602
In the second year	<b>1,982</b>	1,750
In the third to fifth years, inclusive	<b>1,581</b>	1,496
Non-current portion	<b>3,563</b>	3,246
	<b>5,355</b>	5,848

## 17. SHARE CAPITAL

	<b>30 June 2012 HK\$'000 (unaudited)</b>	31 December 2011 HK\$'000 (audited)
Authorised: 100,000,000,000 ordinary shares of HK\$0.01 each	<b>1,000,000</b>	1,000,000
Issued and fully paid: 1,650,658,676 ordinary shares of HK\$0.01 each	<b>16,507</b>	16,507

In 2002, the Company underwent a capital reorganisation scheme, details of which are set out in note 33 on the Company's financial statements for the year ended 31 December 2011.



## 18. RELATED PARTY TRANSACTIONS

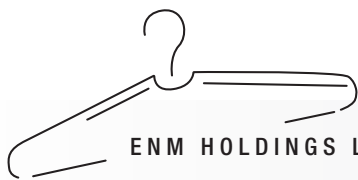
- (a) In addition to the transactions and balances disclosed elsewhere in these condensed financial statements, the Group had the following material transactions with related parties during the period:

		<b>Six months ended</b>	
		<b>30 June</b>	
<i>Note</i>	<b>2012</b>	2011	
	<b>HK\$'000</b>	HK\$'000	
	<b>(unaudited)</b>	(unaudited)	
Rental expenses, building management fees and air conditioning charges to related companies	(i) <b>1,976</b>	1,904	
Rental income from an associate	(ii) <b>824</b>	791	
	<b>824</b>	<b>791</b>	

*Notes:*

- (i) The rental expenses, building management fees and air conditioning charges paid to related companies controlled by a substantial shareholder of the Company were charged in accordance with the terms of the relevant tenancy agreements.
- (ii) The rental income from an associate arose from the lease of resort and recreational club properties in accordance with the agreement entered with the associate.
- (b) Compensation of key management personnel of the Group:

		<b>Six months ended</b>	
		<b>30 June</b>	
	<b>2012</b>	2011	
	<b>HK\$'000</b>	HK\$'000	
	<b>(unaudited)</b>	(unaudited)	
Short term employee benefits	<b>7,460</b>	7,522	
Pension scheme contributions	<b>44</b>	54	
Total compensation paid to key management personnel	<b>7,504</b>	<b>7,576</b>	



## 19. CONTINGENT LIABILITIES

At 30 June 2012, the Group had the following significant contingent liabilities:

The Group is currently conducting proceedings as the appellant at the Appeal Tribunal (Buildings) issued against the Hong Kong Building Authority (“the Building Authority”) as the respondent, to appeal against building orders imposed by the Building Authority, which involves disputes on the remedial/maintenance responsibility of certain slope features in the vicinity of the Group’s resort and recreational club properties. The directors, based on the advice from the Group’s legal counsel and third party experts engaged, believe that the Group has valid grounds to dispute the remedial/maintenance responsibility of certain slope features.

Up to the date of these condensed financial statements, there is no decision made by the Appeal Tribunal regarding the said remedial/maintenance responsibility and no monetary claim has been involved nor any expenses for any remedial/maintenance work have arisen from the proceedings, other than legal costs, expert fees and related expenses being incurred in the conduct of the proceedings. Accordingly, no provision has been made for any claims or costs of remedial/maintenance works arising from the proceedings, other than the related legal and other costs.

## 20. CAPITAL COMMITMENTS

Contracted, but not provided for renovation of leased properties

<b>30 June 2012 HK\$’000 (unaudited)</b>	31 December 2011 HK\$’000 (audited)
<b>3,193</b>	–

## 21. EVENT AFTER THE REPORTING PERIOD

On 4 August 2012, the Group entered into two agreements (the “Disposal Agreements”) with a connected person pursuant to which the Group conditionally agreed to dispose (1) its entire equity interests in its wholly-owned subsidiary, Shanghai Hilltop Resort Hotel Ltd. (上海顯達渡假酒店有限公司); and (2) its entire equity interests of 35% in its associate, Shanghai Landis Hospitality Management Co. Ltd. (上海麗致育樂經營管理有限公司), for a consideration of RMB46,750,000 (equivalent to approximately HK\$57,503,000) and RMB23,250,500 (equivalent to approximately HK\$28,598,000) respectively.

The completion of the disposal is conditional upon, amongst other things, the approval from relevant authorities in the PRC and the shareholders of the Company. As of the date of this report, the disposal was not yet completed.

## 22. APPROVAL OF INTERIM REPORT

The interim report was approved and authorised for issue by the Board of Directors on 29 August 2012.



## CHAIRMAN'S STATEMENT

### FINANCIAL RESULTS

Turnover from continuing operations for the six months ended 30 June 2012 was HK\$153,115,000, slightly increased by 4% as compared with the corresponding period last year.

The Group's profit attributable to owners of the Company for the six months ended 30 June 2012 was HK\$2,145,000 compared to HK\$32,749,000 for the corresponding period last year. The decrease in profit was mainly attributable to the fact that no profit was recognised from the discontinued telecommunications operation for the six months ended 30 June 2012. For the corresponding period in 2011, the Group recovered disputed services fee of approximately HK\$43,205,000 arose from the discontinued telecommunications operation in previous years which was one-off and non-recurring income. Nevertheless, the Group recorded a profit from continuing operations for the six months ended 30 June 2012 as compared with a loss for the corresponding period last year. Such turnaround was mainly attributable to the gain on disposal of 8.95% equity interest in Beijing Smartdot Technologies Co. Ltd. of approximately HK\$13,500,000.

### BUSINESS REVIEW

#### Retail Fashion

##### *Swank Hong Kong*

After two years of continuous growth, the retail market has begun to soften since the second quarter in 2012. This is a classic case of a retail market whose growth derives mainly from tourists and more importantly tourists from one single country. Swank like many of our competitors, cannot escape the fate of this downturn but did manage to lessen this adverse situation at the expense of higher discount given during sales period which started in June.

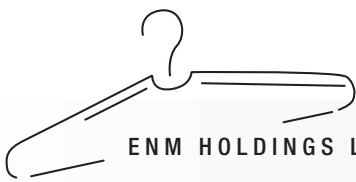
Turnover for the first six month of the year still registered with a slight increase of 4% over the same period last year arriving at HK\$131,900,000 due to the strong growth in the second quarter performance. Gross profit stood at HK\$78,000,000, a 6% improvement with gross profit margin at 59%, one percentage point higher than the same period last year. Profit after tax was HK\$7,600,000 as opposed to HK\$6,800,000 over the same period last year.

We are cautious but optimistic about the retail fashion operation for the second half of the year because of the business pattern that the fall and winter months always provide better contribution than the first half of the year.

##### *Swank China*

Despite its rapid growth, China has not been immune from the global slow-down. The pace of the retail sales has decelerated but the consumer sentiment remains positive coupled with the double-digit wage increase.





Our turnover reached RMB6,200,000, a 24% increase over the same period last year. Swank Beijing at the JinBao Place Mall, Beijing accounted for 88% of the total turnover and others came from Swank Beijing Outlet and Swank Xian. Loss after tax was RMB2,500,000 compared with a breakeven position of last year. This was caused mainly by the increase in inventories provision.

We are excited towards the last quarter of this year as we will witness the fully renovated Xian shop in Century Ginwa Bell Tower by October 2012 as well as the Shanghai shop in Takashimaya Department Store by November 2012.

### ***Cesare di Pino***

Cesare di Pino is a 100% Italian menswear brand from design to production all originated from Italy and is focusing to develop a nationwide retail network in China. Management is pleased to report that the first standalone store was opened in June 2012 at the JinBao Place Mall, Beijing. Cesare di Pino has successfully entered into mainland China and more effort will be made to further enhance the branding of Cesare di Pino as one of the top Italian menswear brands.

Notwithstanding the slowing down of the growth in China economy (in particular the first half of the year), management believes that a cautious expansion plan is necessary to achieve a distribution network building in the second half of the year. Despite the weaken demand across all sectors of the China economy, management is confident that the luxury retail sector will be least affected and that the easing in the money supply and lower interest rate in China will help boost the domestic demand.

### **Resort and Recreational Club Operations**

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

Hilltop is one of Hong Kong's earliest private clubs. Situated in Tsuen Wan with a total site area of over 400,000 square feet, Hilltop is ideally suited for recreational and outdoor activities, conferences, dining and lodging.

During 2011, Hilltop has upgraded the club facilities and re-directed marketing efforts for new revenue sources. These efforts have led to improvement in certain line of business during the first half of 2012. However, it will take time for the new revenue to fully compensate the business loss caused by the license requirement imposed by the government. As a result, overall revenue has decreased over the same period last year. Hilltop will continue to suffer losses and management is finding way to stop the loss situation.

#### ***Shanghai Hilltop Resort Hotel Limited ("Shanghai Hilltop")***

Shanghai Hilltop is a Sino-foreign co-operative joint venture established in the PRC with limited liability by the Company and the PRC partner, Shanghai Xingyuan Shiyei Company Limited ("Xingyuan") in 1992. Shanghai Hilltop constructed a recreational club named "Shanghai Hilltop Country Club" (currently known as "Viva Shanghai Club Resort" or "VivaSha") which was operated by Shanghai Hilltop itself since the partial completion of construction in December 1999 and until June 2003. In June 2003, Shanghai Hilltop entered into a subcontracting agreement with Shanghai Landis Hospitality Management Co. Ltd. ("Shanghai Landis"), a 35% associate of the Group, pursuant to which the operation of the said country club was sub-contracted to Shanghai Landis for the period from 1 July 2003 to 30 June 2016. Currently, VivaSha, with gross floor area of 41,000 square meters, is a complex of clubhouse, convention center and 298 hotel rooms.



Due to oversupply in hotel rooms in Shanghai after the 2010 World Expo and the aging of the premises since the reopening in 2007, the occupancy rate and average room rate of VivaSha continue to drop. For the first half of 2012, total sales of VivaSha were HK\$19,200,000 with an operating loss of around HK\$5,300,000.

In view of (i) the remaining approximately 10 years land use right together with buildings and all fixtures having to be reverted to the PRC partner at no cost and without consideration after expiry of the co-operative joint venture; (ii) the possible substantial capital required for renovation of “Viva Shanghai Club Resort” for it to continue operation in a competitive manner; and (iii) the uncertainty in the worldwide economy, the Board considers that it is appropriate time for the Group to realise the fair value of its investments in Shanghai Hilltop and Shanghai Landis to avoid any further volatility in the coming few years. After lengthy negotiation, the Group and Xingyuan entered into two agreements of transfer of equity interest on 4 August 2012 to dispose the Group’s entire interest in Shanghai Hilltop and a 35% interest in Shanghai Landis with a total consideration of RMB70,000,500.

### **Financial Instruments Investments**

Due to the deterioration of Euro debt crisis and the slow down of worldwide economy, the Hong Kong stock market as well as the global financial market were volatile during the first half of 2012. The Group’s investment portfolio of financial instruments held for trading including equities and bonds for short-term investment suffered fair value losses. As of 30 June 2012, the total carrying value of the Group’s investment portfolio of financial instruments held for trading was HK\$192,200,000. For the six months ended 30 June 2012, the total net fair values losses on financial assets held for trading amounted to HK\$11,700,000.

### **Other Investments**

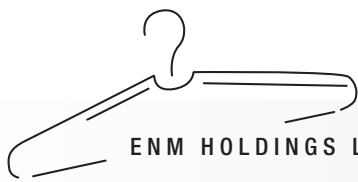
#### ***Skyjoy Assets Management Limited (“Skyjoy”)***

The Group through its wholly owned subsidiary, Cosy Good Limited, subscribed HK\$100,000,000 12% Convertible Bonds issued by Skyjoy on 9 July 2010. Skyjoy is the beneficial owner of a commercial real estate project in Shijiazhuang, Hebei Province, PRC through its wholly owned subsidiary, Shijiazhuang Lerthai Property Development Company Limited (“Lerthai”).

Lerthai owns a site at Qiaodong District, city centre of Shijiazhuang, PRC with area of approximately 62,000 square meters for the development of Lerthai Commercial Plaza (勒泰中心) (the “Project”) with retail shops, services apartment, office, hotel and car park. The total gross floor area is approximately 623,000 square meters. Lerthai obtained the pre-sales approval certificates in the third quarter of 2011 and has also started its sale campaign in the same time. The whole Project is scheduled to be completed in 2013. Topping-out of all buildings took place in March 2012 and Skyjoy expects to have its commercial mall to be opened in the second half of 2012.

#### ***Genovate Biotechnology Company Limited (“Genovate”)***

Genovate is a fully integrated specialty pharmaceutical company that focuses on new drug development, drug manufacturing, drug marketing and distribution in Taiwan and the region. Genovate’s stocks have been publicly traded in Taiwan since 12 January 2012. The Group has 12.38% shareholdings in Genovate.



In March 2012, Taiwan Food and Drug Administration (“TFDA”) approved Genovate's first oral disintegrating antidepressant drug “Apa-Mirtazapine”. This new and patient friendly solid dosage will further strengthen Genovate's market competitiveness. Anticlot drug PMR phase II protocol received both Institutional Review Board and TFDA approval in April 2012 and patient enrolment will start in July 2012.

In May 2012, Genovate received the TFDA approval of a newer generation of antibiotic sponsored by its OEM partner Daiichi-Sankyo. Genovate expect the OEM business to have more than 20% increase in 2013 as the result of this new approval.

### ***Beijing Smartdot Technologies Co. Ltd. (“Smartdot”)***

Smartdot is engaged in the development of office automation software and solution projects in the PRC. The Group previously had 8.95% shareholdings in Smartdot.

In January 2012, the Group entered into shares transfer agreements with Smartdot's CEO and a company formed by Smartdot's staff respectively, to dispose all its shareholdings in Smartdot at a profit. The disposal transaction of Smartdot shares has contributed HK\$13,500,000 to the Group's profit and loss in the first half of 2012. Total proceeds have been received in escrow accounts in the PRC pending for approval of relevant government authorities including SAFE for repatriation to Hong Kong.

## **MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS**

On 16 January 2012, Lion Dragon Limited, an indirect wholly owned subsidiary of the Company, entered into agreements of transfer of equity interest to dispose to Weixingfeng (Tianjin) Investment Partnership Enterprise and Mr. Jiangxiaodan respectively 5.39% and 3.56% equity interest in Smartdot at the consideration of RMB10,802,450 (equivalent to approximately HK\$13,179,000) and RMB7,125,000 (equivalent to approximately HK\$8,693,000) respectively (the “Smartdot Disposal”). The Smartdot Disposal constituted a discloseable transaction for the Company, details of which are set out in the Company's announcement dated 16 January 2012. The registration of transfer of equity interests in Smartdot was completed on 29 January 2012 with the foreign exchange clearance for sale proceeds in progress. The Group now ceases to hold any equity interest in Smartdot.

On 4 August 2012, (i) the Company entered into an agreement of transfer of equity interest to conditionally dispose to Xingyuan the entire registered capital in Shanghai Hilltop at the consideration of RMB46,750,000 (equivalent to approximately HK\$57,503,000) and (ii) Jackpot International Business Inc. (“Jackpot”), an indirect wholly owned subsidiary of the Company, together with other vendors and Xingyuan entered into an agreement of transfer of equity interest pursuant to which Jackpot conditionally dispose to Xingyuan 35% equity interest in Shanghai Landis at the consideration of RMB23,250,500 (equivalent to approximately HK\$28,598,000) (collectively the “Shanghai Hilltop Disposal”). The Shanghai Hilltop Disposal constituted a discloseable and connected transaction for the Company, details of which are set out in the Company's announcement dated 4 August 2012. The Shanghai Hilltop Disposal is subject to the shareholders' approval at an extraordinary general meeting of the Company to be convened.

Save as disclosed above, the Group had no other material acquisition and disposal of investments during the six months ended 30 June 2012 and up to the date of this report.



## LIQUIDITY AND FINANCIAL POSITION

At 30 June 2012, the Group was in solid financial position with cash and non-pledged deposit holdings of HK\$354,112,000 (31 December 2011: HK\$373,681,000). At 30 June 2012, total borrowings amounted to HK\$12,703,000 (31 December 2011: HK\$7,356,000) with HK\$9,140,000 (31 December 2011: HK\$4,110,000) repayment falling due within one year. The Group's gearing ratio (a comparison of total borrowings with equity attributable to equity holders of the Company) was 1.2% at the interim period end date (31 December 2011: 0.7%). The current ratio at 30 June 2012 was 14.2 times (31 December 2011: 17.4 times).

At 30 June 2012, the Group's borrowings and bank balances were primarily denominated in Hong Kong dollars, Renminbi and United States dollars and exchange differences were reflected in the unaudited financial statements. All borrowings of the Group are either interest free or on a floating rate basis.

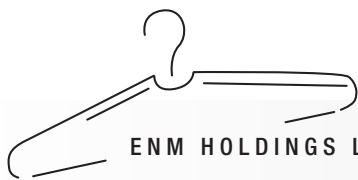
The Group's imported purchases are mainly denominated in Euro, Yen and United States dollar. The Group will from time to time review its foreign exchange position and market conditions to determine if any hedging is required.

## PLEDGE OF ASSETS

Pledges of the Group's fixed deposits of HK\$11,000,000 (31 December 2011: HK\$11,000,000) were given to banks to secure general banking facilities to the extent of HK\$21,000,000 as at 30 June 2012 (31 December 2011: HK\$21,000,000).

## EMPLOYEE AND REMUNERATION POLICIES

At the date of this report, the Group employed 281 staff. 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 funds, discretionary performance bonus, and external training support.



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2012, the interest or short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

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

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

Save as disclosed above, as at 30 June 2012, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be 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 adoption of a share option scheme (the "Scheme"). A summary of the principal terms of the Scheme was sent to the shareholders of the Company in a circular dated 28 May 2002. No option has been granted under the Scheme since its inception. The Scheme expired on 13 June 2012.

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.



## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

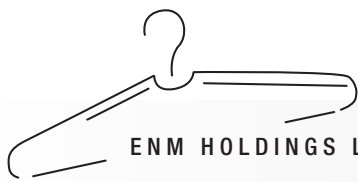
As at 30 June 2012, persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

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

Name	Capacity	Number of shares held			Total	Percentage of issued share capital
		Personal Interest	Corporate Interest	Other Interest		
Diamond Leaf Limited	Beneficial owner	162,216,503	—	—	162,216,503	9.83%
Solution Bridge Limited	Beneficial owner	408,757,642	—	—	408,757,642	24.76%
KUNG, Nina (deceased) (Note 1)	Interest of controlled corporations	—	570,974,145	—	570,974,145	34.59%
LAM, Hok Chung Rainier (Notes 2 and 3)	Trustee	—	—	570,974,145	570,974,145	34.59%
JONG, Yat Kit (Notes 2 and 4)	Trustee	—	—	570,974,145	570,974,145	34.59%

#### Notes:

1. The interest disclosed under Ms KUNG, Nina (deceased) represents her deemed interests in the shares of the Company by virtue of her interests in Diamond Leaf Limited and Solution Bridge Limited.
2. Both Diamond Leaf Limited and Solution Bridge Limited are wholly owned by Mr. LAM, Hok Chung Rainier and Mr. JONG, Yat Kit, as joint and several administrators of the estate of Kung, Nina.
3. The interest disclosed under Mr. LAM, Hok Chung Rainier represents his deemed interests in the shares of the Company by virtue of his interests in Diamond Leaf Limited and Solution Bridge Limited.
4. The interest disclosed under Mr. JONG, Yat Kit represents his deemed interests in the shares of the Company by virtue of his interests in Diamond Leaf Limited and Solution Bridge Limited.



Save as disclosed above, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as at 30 June 2012 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under 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 2012.

## **CORPORATE GOVERNANCE CODE**

On 1 April 2012, the Code on Corporate Governance Practices (the "Former CG Code") set out in Appendix 14 of the Listing Rules was amended and renamed as Corporate Governance Code and Corporate Governance Report (the "New CG Code").

In the opinion of the Directors, the Company complied with the Code Provisions of the Former CG Code throughout the period from 1 January 2012 to 31 March 2012 and the Code Provisions of the New CG Code throughout the period from 1 April 2012 to 30 June 2012, save for the following:

Under Code Provision A.2.1 of each of the Former CG Code and the New CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Joseph Wing Kong LEUNG took up the position of the Acting Chief Executive Officer in addition to his role of being the Chairman upon the retirement of former chief executive officer in June 2009. The Board believes that the balance of power and authority is ensured through supervision of the full Board and the Board committees. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

Under Code Provision A.4.1 of each of the Former CG Code and the New CG Code, Non-executive Directors should be appointed for a specific term and subject to re-election. Before 1 March 2012, the Non-executive and Independent Non-executive Directors of the Company were not appointed for a specific term, and were subject to retirement by rotation in accordance with the Company's Articles of Association. On 1 March 2012, a letter of appointment was formally issued to each Non-executive Director (including Independent Non-executive Director), and the term of appointment is three years, subject to retirement by rotation. The Company has complied Code Provision A.4.1 of each of the Former CG Code and the New CG Code since 1 March 2012.

Under Code Provision A.6.7 of the New CG Code, Non-executive Directors should attend general meetings of the Company. Dr Cecil Sze Tsung CHAO and Mr. David Kwok Kwei LO, Independent Non-executive Directors, were unable to attend the 2012 Annual General Meeting of the Company held on 19 June 2012 due to their respective business commitments.



## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's 2011 Annual Report are set out as follows:

- (1) owing to an annual revision and with effect from 1 April 2012:
  - (a) the monthly salary of Mr. Raymond Siu Wing CHAN, Executive Director, has been increased to HK\$153,000;
  - (b) the monthly salary of Mr. Victor Yiu Keung CHIANG, Executive Director, has been increased to HK\$134,160; and
  - (c) the monthly salary of Mr. Wing Tung YEUNG, Executive Director, has been increased to HK\$160,860; and
- (2) Mr. Chi Keung WONG, Independent Non-executive Director, has been appointed as an independent non-executive director of Zhuguang Holdings Group Company Limited, a company whose shares are listed on the Main Board of the Stock Exchange, with effect from 5 June 2012.

## 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") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Based on specific enquiry of all Directors, all Directors complied with the required standards set out in the Model Code during the six months ended 30 June 2012.

## REVIEW OF INTERIM REPORT

The interim report for the six months ended 30 June 2012 has been reviewed by the Audit Committee and the Auditor of the Company.

## BOARD OF DIRECTORS

As at the date of this report, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman and Acting Chief Executive Officer), Mr. Raymond Siu Wing CHAN, Mr. Victor Yiu Keung CHIANG, Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG, the Non-executive Director is Mr. Raymond Shing Loong WONG, and the Independent Non-executive Directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG.

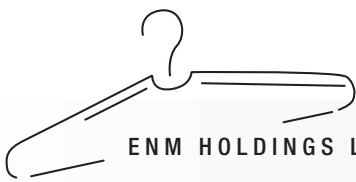
By order of the Board

**Joseph Wing Kong LEUNG**

*Chairman and Acting Chief Executive Officer*

Hong Kong, 29 August 2012





## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Joseph Wing Kong LEUNG  
*(Chairman and Acting Chief Executive Officer)*  
Raymond Siu Wing CHAN  
Victor Yiu Keung CHIANG  
Derek Wai Choi LEUNG  
Wing Tung YEUNG

### NON-EXECUTIVE DIRECTOR

Raymond Shing Loong WONG

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Cecil Sze Tsung CHAO  
Jen CHEN  
David Kwok Kwei LO  
Ian Grant ROBINSON  
Chi Keung WONG

### COMPANY SECRETARY

Pui Man CHENG

### AUDITOR

RSM Nelson Wheeler  
29th Floor  
Caroline Centre, Lee Gardens Two  
28 Yun Ping Road  
Hong Kong

### SHARE REGISTRARS

Computershare Hong Kong Investor  
Services Limited  
Rooms 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East, Hong Kong

### PRINCIPAL BANKERS

UBS AG  
Hang Seng Bank Limited  
The Hongkong & Shanghai Banking  
Corporation Limited  
CITIC Bank International Limited

### REGISTERED OFFICE

Suites 3301-03, 33/F, Tower 2  
Nina Tower, 8 Yeung Uk Road  
Tsuen Wan, New Territories  
Hong Kong

### INCORPORATION IN HONG KONG

27 April 1966

### LISTING

16 November 1972

### NO. OF EMPLOYEES

281

### WEB SITE

[www.enmholdings.com](http://www.enmholdings.com)

### STOCK CODE

Hong Kong Stock Exchange: 0128  
American Depositary Receipt: ENMHY

### CORPORATE COMMUNICATIONS

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Fax : (852) 2827 1491  
Email : [info@enmholdings.com](mailto:info@enmholdings.com)