



Interim Report 2013



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 24 which comprises the condensed consolidated statement of financial position of the Company as at 30 June 2013 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other 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

23 August 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	Six months ended 30 June	
		2013 HK\$'000 (<i>unaudited</i>)	2012 HK\$'000 (<i>unaudited</i>)
Revenue		167,127	153,115
Cost of sales		(68,814)	(61,851)
Gross profit		98,313	91,264
Other income		1,324	3,086
Selling and distribution costs		(69,929)	(56,704)
Administrative expenses		(41,711)	(39,849)
Depreciation and amortisation		(10,163)	(9,373)
Other operating gains, net		12,137	15,521
Profit/(loss) from operations		(10,029)	3,945
Fair value gains/(losses) on investment properties, net		2,000	(800)
Deficits write-back on revaluation of resort and recreational club properties		1,540	1,200
Finance costs	5	(327)	(359)
Share of losses of an associate		—	(1,849)
Profit/(loss) before tax		(6,816)	2,137
Income tax expense	6	—	—
Profit/(loss) for the period	7	(6,816)	2,137
Attributable to:			
Owners of the Company		(6,202)	2,145
Non-controlling interests		(614)	(8)
		(6,816)	2,137
		HK\$ (unaudited)	HK\$ (unaudited)
Earnings/(loss) per share			
Basic	8(a)	(0.38 cents)	0.13 cents
Diluted	8(b)	N/A	N/A



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	Six months ended 30 June	
		2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Profit/(loss) for the period		(6,816)	2,137
Other comprehensive income/(loss):			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		1,879	4
Fair value changes of available-for-sale equity investments	12	(42,518)	50,427
Fair value changes of available-for-sale debt investments		(3,737)	4,588
Release of revaluation reserve to the statement of profit or loss upon disposal of available-for-sale equity investments		(2,114)	(12,563)
Release of exchange fluctuation reserve to the statement of profit or loss upon disposal of available-for-sale equity investments		—	(895)
Other comprehensive income/(loss) for the period, net of tax		(46,490)	41,561
Total comprehensive income/(loss) for the period		(53,306)	43,698
Attributable to:			
Owners of the Company		(52,720)	43,706
Non-controlling interests		(586)	(8)
		(53,306)	43,698

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	Note	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	104,351	105,850
Investment properties		103,300	100,000
Intangible assets		1,424	1,466
Interest in an associate		16,192	17,059
Financial assets at fair value through profit or loss	11	26,452	147,489
Available-for-sale equity investments	12	110,156	155,336
Available-for-sale debt investments - note receivables	13	85,298	65,723
Total non-current assets		447,173	592,923
Current assets			
Inventories		72,072	63,713
Trade receivables	14	6,173	4,636
Prepayments, deposits and other receivables		48,024	60,729
Financial assets at fair value through profit or loss	11	215,965	212,606
Pledged bank deposits		11,000	11,000
Time deposits		350,496	217,584
Cash and bank balances		63,282	115,255
Total current assets		767,012	685,523
Current liabilities			
Trade and other payables	15	47,714	69,443
Interest-bearing bank and other borrowings		13,332	2,390
Current portion of debentures	16	2,005	1,775
Total current liabilities		63,051	73,608
Net current assets		703,961	611,915
Total assets less current liabilities		1,151,134	1,204,838



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
AT 30 JUNE 2013

	Note	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Total assets less current liabilities		1,151,134	1,204,838
Non-current liabilities			
Debentures	16	2,016	2,407
Deferred revenue		7,548	7,555
Total non-current liabilities		9,564	9,962
NET ASSETS		1,141,570	1,194,876
Capital and reserves			
Issued capital	17	16,507	16,507
Reserves		1,124,783	1,177,503
Equity attributable to owners of the Company		1,141,290	1,194,010
Non-controlling interests		280	866
TOTAL EQUITY		1,141,570	1,194,876

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

(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 2012	16,507	1,189,721	478	808,822	20,871	11,053	(986,718)	1,060,734	909	1,061,643
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>16,507</u>	<u>1,189,721</u>	<u>478</u>	<u>808,822</u>	<u>63,323</u>	<u>10,162</u>	<u>(984,573)</u>	<u>1,104,440</u>	<u>901</u>	<u>1,105,341</u>
At 1 January 2013	16,507	1,189,721	478	808,822	131,504	10,926	(963,948)	1,194,010	866	1,194,876
Total comprehensive loss and changes in equity for the period	—	—	—	—	(48,369)	1,851	(6,202)	(52,720)	(586)	(53,306)
At 30 June 2013	<u>16,507</u>	<u>1,189,721</u>	<u>478</u>	<u>808,822</u>	<u>83,135</u>	<u>12,777</u>	<u>(970,150)</u>	<u>1,141,290</u>	<u>280</u>	<u>1,141,570</u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash used in operating activities	(51,773)	(10,875)
Net cash used in investing activities	(84,075)	(18,898)
Net cash generated from financing activities	10,454	5,001
Net decrease in cash and cash equivalents	(125,394)	(24,772)
Cash and cash equivalents at beginning of period	327,279	373,324
Effect of foreign exchange rate changes, net	1,160	—
Cash and cash equivalents at end of period	203,045	348,552
Analysis of balances of cash and cash equivalents		
Non-pledged times deposits	350,496	277,831
Less: Non-pledged time deposits with original maturity of over three months when acquired	(210,733)	(5,560)
Non-pledged time deposits with original maturity of less than three months when acquired	139,763	272,271
Cash and bank balances	63,282	76,281
	203,045	348,552

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

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 2012 annual financial statements ("2012 Annual Report"). 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 2012 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 2013. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); 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 except as stated below.

(a) Amendments to HKAS 1 "Presentation of Financial Statements"

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

(b) HKFRS 13 "Fair Value Measurement"

HKFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of HKFRS 13 only affects disclosures on fair value measurements in the condensed consolidated financial statements. HKFRS 13 has been applied prospectively.

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. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

3. FAIR VALUE MEASUREMENTS (CONT'D)

(a) Disclosures of level in fair value hierarchy at 30 June 2013:

Description	Fair value measurements as at 30 June 2013 using:			Total
	Level 1 HK\$'000 (<i>unaudited</i>)	Level 2 HK\$'000 (<i>unaudited</i>)	Level 3 HK\$'000 (<i>unaudited</i>)	2013 HK\$'000 (<i>unaudited</i>)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss:				
Listed equity and debt investments	194,784	—	—	194,784
Unlisted debt and fund investments	21,181	—	—	21,181
Unlisted equity investment	—	—	26,452	26,452
	<u>215,965</u>	<u>—</u>	<u>26,452</u>	<u>242,417</u>
Available-for-sale financial assets:				
Listed debt investments	85,298	—	—	85,298
Listed equity investments	110,156	—	—	110,156
	<u>195,454</u>	<u>—</u>	<u>—</u>	<u>195,454</u>
Total recurring fair value measurements	<u>411,419</u>	<u>—</u>	<u>26,452</u>	<u>437,871</u>

Description	Fair value measurements as at 31 December 2012 using:			Total
	Level 1 HK\$'000 (<i>audited</i>)	Level 2 HK\$'000 (<i>audited</i>)	Level 3 HK\$'000 (<i>audited</i>)	2012 HK\$'000 (<i>audited</i>)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss:				
Listed equity and debt investments	189,392	—	—	189,392
Unlisted debt and fund investments	23,214	—	—	23,214
Unlisted convertible bonds	—	—	147,489	147,489
	<u>212,606</u>	<u>—</u>	<u>147,489</u>	<u>360,095</u>
Available-for-sale financial assets:				
Listed debt investments	65,723	—	—	65,723
Listed equity investments	155,336	—	—	155,336
	<u>221,059</u>	<u>—</u>	<u>—</u>	<u>221,059</u>
Total recurring fair value measurements	<u>433,665</u>	<u>—</u>	<u>147,489</u>	<u>581,154</u>



3. FAIR VALUE MEASUREMENTS (CONT'D)

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Financial assets at fair value through profit or loss		Available for-sale financial assets	2013 Total HK\$'000 (<i>unaudited</i>)
	Unlisted convertible bonds	Unlisted equity investment	Unlisted equity investments	
	HK\$'000	HK\$'000	HK\$'000	
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	
At 1 January 2013	147,489	—	—	147,489
Total gain or loss recognised in profit or loss*	4,687	—	—	4,687
Additions	—	26,452	—	26,452
Redemption	(152,176)	—	—	(152,176)
At 30 June 2013	—	26,452	—	26,452
* Include gains or losses for assets held at end of reporting period	—	—	—	—

Description	Financial assets at fair value through profit or loss		Available for-sale financial assets	2012 Total HK\$'000 (<i>unaudited</i>)
	Unlisted convertible bonds	Unlisted equity investment	Unlisted equity investments	
	HK\$'000	HK\$'000	HK\$'000	
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	
At 1 January 2012	123,600	—	23,849	147,449
Total gain or loss recognised in profit or loss*	8,800	—	—	8,800
Disposal	—	—	(23,849)	(23,849)
At 30 June 2012	132,400	—	—	132,400
* Include gains or losses for assets held at end of reporting period	8,800	—	—	8,800

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in "Other operating gains, net" in the condensed consolidated statement of profit or loss.

3. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2013:

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations. Valuation results are reviewed by senior management twice a year, in line with the Group's reporting dates.

Key unobservable inputs used in level 3 fair value measurements are set out in note 11 to the condensed consolidated financial statements.

4. SEGMENT INFORMATION

	Wholesale and retail of fashion wear and accessories 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>
6 months ended 30 June 2013:				
Revenue from external customers	150,741	7,800	8,586	167,127
Segment profit/(loss)	(11,730)	(4,005)	7,623	(8,112)
As at 30 June 2013:				
Segment assets	174,363	157,063	866,567	1,197,993
Segment liabilities	(33,981)	(20,767)	(4,535)	(59,283)
6 months ended 30 June 2012:				
Revenue from external customers	139,629	7,353	6,133	153,115
Segment profit/(loss)	890	(2,065)	8,319	7,144
As at 31 December 2012:				
Segment assets, audited	178,388	159,319	923,680	1,261,387
Segment liabilities, audited	(45,625)	(21,648)	(13,907)	(81,180)

4. SEGMENT INFORMATION (CONT'D)

	Six months ended 30 June	
	2013 HK\$'000 <i>(unaudited)</i>	2012 HK\$'000 <i>(unaudited)</i>
Reconciliations of segment profit or loss:		
Total profit or loss of reportable segments	(8,112)	7,144
Unallocated corporate administrative expenses	(1,917)	(3,199)
Share of losses of an associate	—	(1,849)
Fair value gains/(losses) on investment properties, net	2,000	(800)
Deficits write-back on revaluation of resort and recreational club properties	1,540	1,200
Finance costs	(327)	(359)
Consolidated profit/(loss) for the period	(6,816)	2,137

5. FINANCE COSTS

	Six months ended 30 June	
	2013 HK\$'000 <i>(unaudited)</i>	2012 HK\$'000 <i>(unaudited)</i>
Interest on bank loans and overdrafts	308	299
Accretion of interest on debentures	19	60
	327	359

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax and overseas income tax is required for the six months periods ended 30 June 2013 and 2012 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.

7. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 June	
	2013 HK\$'000 (<i>unaudited</i>)	2012 HK\$'000 (<i>unaudited</i>)
Cost of inventories sold [^]	68,758	61,783
Interest income [#]	(4,883)	(4,390)
Dividend income [#]	(3,703)	(1,744)
Amortisation of intangible assets	42	42
Depreciation	10,121	9,331
Directors' emoluments	4,579	4,377
Foreign exchange gains, net*	(4,927)	(3,933)
Losses/(gains) from financial assets at fair value through profit or loss, net*:		
Held-for-trading		
Interest income	(1,088)	(1,009)
Fair value losses, net	5,927	13,000
Gain on disposal, net	(483)	(1,305)
	4,356	10,686
Designated as such upon initial recognition		
Interest income	(9,445)	(9,525)
Fair value losses	—	725
Loss on redemption	4,758	—
	(4,687)	(8,800)
Gain on disposal of available-for-sales equity investments*	(6,882)	(13,475)
Loss on disposal of property, plant and equipment*	3	—
Fair value losses/(gains) on investment properties, net	(2,000)	800
Charge for inventories allowances	9,382	8,325

[^] Cost of inventories sold included charge for inventories allowances of HK\$9,382,000 (2012: HK\$8,325,000).

[#] These amounts are included in "Revenue".

* These amounts are included in "Other operating gains, net".



8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of HK\$6,202,000 (2012: profit of HK\$2,145,000) and the weighted average number of ordinary shares of 1,650,658,676 (2012: 1,650,658,676) in issue during the period.

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the six months periods ended 30 June 2013 and 2012.

9. DIVIDENDS

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2013 (2012: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired property, plant and equipment of approximately HK\$6,963,000 (30 June 2012: HK\$6,417,000).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Listed investments, at fair value (<i>note a</i>):		
Hong Kong	176,203	172,146
Outside Hong Kong	18,581	17,246
	<hr/> 194,784 <hr/>	<hr/> 189,392 <hr/>
Unlisted investments, at fair value:		
Convertible bonds (<i>note b</i>)	—	147,489
Equity investment (<i>note c</i>)	26,452	—
Others (<i>note d</i>)	21,181	23,214
	<hr/> 47,633 <hr/>	<hr/> 170,703 <hr/>
	<hr/> 242,417 <hr/>	<hr/> 360,095 <hr/>
Analysed as:		
Current assets	215,965	212,606
Non-current assets	26,452	147,489
	<hr/> 242,417 <hr/>	<hr/> 360,095 <hr/>

- (a) The listed investments at 30 June 2013 and 31 December 2012 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.

As at 31 December 2012, the fair value of the Unlisted Convertible Bonds were determined with reference to the valuation performed by CBRE HK 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:

Expected volatility	36.26%
Expected life	2.49 years
Risk free rate	0.12%
Discount rate	<u>11.19%</u>

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

On 31 May 2013, the Group entered into the agreement regarding the early redemption of the Unlisted Convertible Bonds with Skyjoy, two other subscribers and the security trustee whereby the Group accepted the early redemption of the Unlisted Convertible Bonds at the consideration of HK\$152,176,000, being the aggregate of the outstanding principal and interest payable thereof (the “Early Redemption”). The Early Redemption was completed on 31 May 2013 and a loss on redemption of HK\$4,758,000 was recognised in the profit or loss of the Group for the six months ended 30 June 2013.

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

- (c) On 13 June 2013, the Group entered into the Share Purchase Agreement (the "Agreement") with Fullgold Development Limited ("FDL"), PuraPharm Corporation Limited ("PuraPharm") and Mr. CHAN Yu Ling Abraham, who is the controlling shareholders of PuraPharm. Pursuant to the Agreement, the Group has conditionally agreed to acquire from FDL 5% equity interest in PuraPharm (the "Sales Shares") at the consideration of US\$3,400,000 (equivalent to approximately HK\$26,452,000). Subject to certain conditions, the Group may require FDL to repurchase the Sales Shares; and FDL may repurchase the Sales Shares at an agreed redemption/repurchase price. Further details of the above were set out in the Company's announcement dated 13 June 2013.

PuraPharm and its subsidiaries engage in the research and development, manufacturing and sale of Chinese medicines products and health food products, as well as the operation of Chinese medicine clinics, dispensaries of Chinese medicines and Chinese herbal plantation.

The acquisition was completed on 14 June 2013. The investment in PuraPharm was designated as financial assets at fair value through profit or loss.

The directors estimated the fair value of the investment in PuraPharm as at 30 June 2013 based on the recent arm's length share transaction between PuraPharm and a third party investor.

On 7 August 2013, in order to maintain the Group's shareholding level of 5% in PuraPharm, the Group entered into a supplemental agreement with the parties in the Agreement to acquire additional shares of PuraPharm at a consideration of US\$124,962 (equivalent to HK\$972,000). Further details of the above were set out in the Company's announcement dated 7 August 2013.

- (d) Other unlisted investments at 30 June 2013 and 31 December 2012 included debt and fund 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

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Equity investment listed outside Hong Kong, at fair value	110,156	155,336

The movement of available-for-sale equity investments during the period is as follows:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
At beginning of the period	155,336	63,832
Disposal	(2,662)	(23,849)
Fair value gains/(losses)	(42,518)	50,427
At end of the period	110,156	90,410

The listed equity investment as at 30 June 2013 and 31 December 2012 represented investment in Genovate Biotechnology Company Limited ("Genovate"), which is a fully integrated specialty pharmaceutical company that focuses on new drug development, drug manufacturing, drug marketing and distribution in Taiwan and the region.

The fair value of the investment in Genovate as at 30 June 2013 and 31 December 2012 were based on quoted market price.

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

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Listed senior notes*, at fair value:		
Market value of listed senior notes	85,298	65,723

* Listed as selectively marketed securities on The Stock Exchange of Hong Kong Limited and The Singapore Exchange Securities Trading Limited.

At 30 June 2013, the Group held listed senior notes with an aggregate principal amount of US\$10,999,000 (equivalent to HK\$85,572,000) (31 December 2012: US\$7,999,000 (equivalent to HK\$62,232,000)), which were mainly issued/guaranteed by companies listed on The Stock Exchange of Hong Kong 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 20 September 2022 (31 December 2012: 16 February 2015 to 20 September 2022).

Interest income from the listed senior notes is recognised based on effective interest rate ranging from 3.3% to 12.45% (31 December 2012: 3.3% to 12.45%).

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:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Within 1 month	4,067	4,257
2 to 3 months	2,090	371
Over 3 months	16	8
	6,173	4,636

15. TRADE AND OTHER PAYABLES

Included in the Group's trade and other payables as at 30 June 2013 are trade and bills payables of HK\$16,116,000 (31 December 2012: HK\$21,568,000).

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:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Within 1 month	12,595	20,004
2 to 3 months	3,298	1,116
Over 3 months	223	448
	16,116	21,568

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:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Within one year classified as current liabilities	2,005	1,775
In the second year	285	621
In the third to fifth years, inclusive	1,731	1,786
Non-current portion	2,016	2,407
	4,021	4,182

17. SHARE CAPITAL

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Authorised: 100,000,000,000 ordinary shares of HK\$0.01 each	1,000,000	1,000,000
Issued and fully paid: 1,650,658,676 ordinary shares of HK\$0.01 each	16,507	16,507

In 2002, the Company underwent a capital reorganisation scheme, details of which are set out in note 31 on the Company's financial statements for the year ended 31 December 2012.

18. RELATED PARTY TRANSACTIONS

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

		Six months ended 30 June	
	Note	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Rental expenses, building management fees and air-conditioning charges to related companies	(i)	2,494	1,976
Rental income from an associate	(ii)	—	824

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:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Short term employee benefits	8,409	7,460
Pension scheme contributions	56	44
Total compensation paid to key management personnel	8,465	7,504

19. CONTINGENT LIABILITIES

At 30 June 2013, 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

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Contracted, but not provided for:		
Renovation of leased properties	1,660	885
Furniture, fixtures and equipment	49	49
	1,709	934

21. PROPOSED DISPOSAL OF A SUBSIDIARY AND AN ASSOCIATE

On 4 August 2012, the Group entered into an agreement (the “First Disposal Agreement”) with Shanghai Xingyuan Shiyei Company Limited (上海興遠實業有限公司) (“Xingyuan”) pursuant to which the Group conditionally agreed to dispose of its entire equity interest in its wholly-owned subsidiary, Shanghai Hilltop Resort Hotel Ltd. (“Shanghai Hilltop”), for a consideration of RMB46,750,000 (equivalent to approximately HK\$57,503,000) and together with other vendors entered into an agreement (the “Second Disposal Agreement”) with Xingyuan pursuant to which the Group conditionally agreed to dispose of its entire equity interest of 35% in its associate, Shanghai Landis Hospitality Management Co. Ltd. (“Shanghai Landis”), for a consideration of RMB23,250,500 (equivalent to approximately HK\$28,598,000). Details of the First Disposal Agreement and the Second Disposal Agreement are set out in the Company’s announcement and circular dated 4 August 2012 and 4 September 2012 respectively.

The disposal constitutes a connected transaction, as defined in Chapter 14A of the Listing Rules, further details of which are included in the Report of the Directors on page 17 of the 2012 Annual Report.

The successful completion of the disposals is subject to the fulfillment of the conditions stated in the First Disposal Agreement and Second Disposal Agreement which include the approval from relevant authorities in the PRC. The First Disposal Agreement and Second Disposal Agreement are inter-conditional.

As at 30 June 2013, the approval from all relevant authorities in the PRC has not yet obtained for both proposed transactions. All parties to the First Disposal Agreement and the Second Disposal Agreement have agreed to extend the long stop date for obtaining such approval to 31 August 2013. Accordingly, the assets and liabilities attributable to Shanghai Hilltop and the interests in Shanghai Landis were not classified as disposal group/assets held for sale as at 30 June 2013.

As at the date of this report, the disposals were not yet completed.

22. APPROVAL OF INTERIM REPORT

The interim report was approved and authorised for issue by the Board of Directors on 23 August 2013.



CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

The Group recorded a consolidated turnover of HK\$167,127,000 for the six months ended 30 June 2013, an increase of 9% as compared with the corresponding period last year.

Despite the increase in turnover, operating results recorded a consolidated loss amounted to HK\$6,816,000 for the period under review against a profit of HK\$2,137,000 for the last corresponding period. Such loss was mainly attributable to the weak performance of our retail fashion operation. Stagnant retail market especially in high end luxury fashion products, together with upward pressure in operating costs in particular the surging staff costs and rental expenses in prime locations have adversely impacted on the Group's profitability. Moreover, increase in provision for slow and obsolete stock especially in China division also dampened the bottom line.

Performance of Group's financial instrument and other investments were relatively stable during the period under review.

BUSINESS REVIEW

Retail Fashion

Swank Hong Kong

Retail operation in Hong Kong continued to be a core business of the Group. During the period under review, Swank Hong Kong reported a 8% growth in turnover against last corresponding period. The increase was mainly attributable to the opening of 2,500 square feet "Brunello Cucinelli" flagship store in Central in April 2013 and "Paule Ka" boutique in Pacific Place commenced full operation since its opening last December 2012. Overall gross margin remained stable as compared to last corresponding period. Upon expiry of lease term of "Just Cavalli" boutique in Pacific Place, the 900 square feet "Just Cavalli" boutique was closed in April this year. Operating result from this newly introduced exclusive franchise was yet to pick up. Following the expiry of lease of "Just Cavalli" boutique in Time Square this October, the Group will reposition the strategy of "Just Cavalli" and will open a new store in Festival Walk this December. Surging rental cost in prime locations, staff costs plus rising inflation neutralized all the positive contribution from increase in sales turnover notwithstanding increase in retail space in Hong Kong.

Swank China

The transition of the PRC government and policy reforms together with diminishing fast economic growth in the mainland China, the spending pattern and quantum have seriously been affected especially in the luxury goods sector. Operating results from Swank China recorded a loss of HK\$6,981,000 as compared with HK\$3,127,000 loss for the same period last year. Due to slow turnover, additional stock provision had been made and thus impacted the bottom line adversely. Nevertheless, following the opening of the 2,700 square feet multi label store in Shanghai Takashimaya store last December 2012, our Xian Zhongda store, a 2,100 square feet multi label store located in the prime mall of Xian city, was opened this April. The operating efficiency and profitability of the mainland China market will continue to be under pressure but we are still cautiously optimistic with the growth of consumer demand in the region. We will continue to expand our presence at prime retail locations in the mainland China and this represents our strong commitment towards China.

Cesare di Pino

The retail network in Beijing has continued to grow in Year 2013. Three more shops have been added to our network, namely Beijing Kerry Centre, Beijing Lafayette department store and Beijing Scitech department store. A total of 4 shops will be in full operation in Beijing by fourth quarter of 2013.

Further network expansion will now be targeted outside the city of Beijing with North East of China and the Yangtze river delta remain as priorities.

China luxury retail sector has been experiencing a sharp decline in demand, the performance of Cesare di Pino, at its infant stage, had inevitably been affected. Operating loss for the period under review amounted to HK\$4,438,000 as compared with HK\$3,794,000 loss for the same period last year. Uncertain macroeconomic environment and stiff competition will continue but the management is confident that the long term prospect of the luxury sector remains optimistic by the steady growing urban population and the continuous direction of the Chinese government in transforming China to a domestic demand growth model.

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. Hilltop is one of a few private clubs which offers lodging facilities for members.

During the first half of 2013, Hilltop has continued to pursue business growth in banquet and conferences, operating results has slightly improved compared to corresponding period last year. The management will continue to identify new business elements and suitable collaboration partners for Hilltop's long term development.



Shanghai Hilltop Resort Hotel Limited (“Shanghai Hilltop”)

Shanghai Hilltop is a Sino-foreign co-operative joint venture established in the PRC by the Company and Shanghai Xingyuan Shiyei Company Limited (“Xingyuan”) in 1992 for a period of 30 years for operating of a resort club in Putao District, Shanghai. In June 2003, Shanghai Hilltop entered into a sub-contracting agreement with Shanghai Landis Hospitality Management Co. Ltd. (“Shanghai Landis”), a 35%-owned associate of the Group, for the period from 1 July 2003 to 30 June 2016. At present, the resort club is operated under the name of “VivaSha” with 298 guest rooms, club house, convention and various sport facilities.

On 4 August 2012, the Group and Xingyuan entered into two agreements of transfer of equity interest to conditionally dispose the Group’s entire interest in Shanghai Hilltop and the 35% interest in Shanghai Landis to Xingyuan with a total consideration of RMB70,000,500 and these two disposal transactions were approved by shareholders of the Company at the Extraordinary General Meeting of the Company held on 24 September 2012 (collectively, the “Shanghai Hilltop Disposal”).

Accordingly, Xingyuan made the first deposit into the escrow account in October 2012 and the Company has completed the capitalisation of shareholders’ loan USD8,898,610 to Shanghai Hilltop as registered capital in January 2013 pursuant to the Shanghai Hilltop disposal agreement.

The approval of transfer of equity interest of Shanghai Hilltop from Shanghai Ministry of Commerce was obtained in July 2013 and its further deposit has been received. The approval of transfer of equity interest of Shanghai Landis from Putao Ministry of Commerce, Shanghai is still pending. After obtaining the approvals from Ministry of Commerce, the Shanghai Hilltop Disposal is still subject to approvals from relevant Government authorities in the PRC.

Financial instruments investments

Hong Kong stock market was volatile during the first half of 2013. Under this investment environment, the Group maintained certain of its investment in fixed income products in order to limit the investment risk and maintain stable income.

For the six months ended 30 June 2013, the investment portfolio of financial instruments held for trading and available-for-sales debt investments (excluding the investment in convertible bonds issued by Skyjoy Assets Management Limited and shares of Genovate and PuraPharm) contributed HK\$1,152,000 net gain to the Group. As of 30 June 2013, the total carrying value of the Group’s investment portfolio of financial instruments held for trading and available-for-sales debt investments was HK\$301,263,000.

Other Investments

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. The Group has 11.3% shareholdings in Genovate, which is listed in the Taiwan GreTai Securities Market (Open Market, Stock code: 4130).

Through investment in the pre-IPO round of Taiwan-based Rebber Biotech Inc. (“RBI”), a regional biotech company specializes in animal vaccine, Genovate secures the joint development right of human HPV vaccine for the PRC market from RBI’s parent group. Currently this human HPV vaccine has successfully filed US IND and is under phase I/II trial for the management of Cervical Intraepithelial Neoplasia (CIN) Grade II or III caused by HPV subtype 16.

PuraPharm Corporation Limited (“PuraPharm”)

The Group through its wholly owned subsidiary, Cosy Good Limited (“Cosy Good”), purchased 5% shares of PuraPharm from its major shareholder in June 2013 at a consideration of US\$3,400,000. In August 2013, the Group exercised its right to further invest in PuraPharm in the amount of US\$124,962 to maintain 5% shareholding in PuraPharm.

PuraPharm group principally engages in (i) producing, distributing and selling concentrated Chinese medicine granules under the brand name of NONG’s (農本方) for prescription by professional traditional Chinese medical practitioners; (ii) producing, distributing and selling Chinese herbal medicine packets and health supplement products through retail channel; and (iii) operating Chinese medicine clinics and Chinese herbal plantation. PuraPharm group is one of only six approved manufacturers by Chinese State Food and Drug Administration to produce and distribute concentrated Chinese medicine granules in China and is the only one Hong Kong based group.

In view of the potential development and sales of concentrated Chinese medicine granules in both PRC and Hong Kong market, the management believes that investment in PuraPharm would contribute potential return to the Group in future.

Skyjoy Assets Management Limited (“Skyjoy”)

The Group, through Cosy Good, subscribed HK\$100,000,000 with 12% coupon rate Convertible Bonds (“Skyjoy CB”) issued by Skyjoy in 2010.

The Skyjoy CB has been early redeemed according to the provisions in the Subscription Agreement. The Skyjoy CB investment has contributed HK\$4,687,000 net gains to the first half results of 2013 and the total return from Skyjoy CB investment was HK\$52,176,000 for the entire holding period from 28 June 2010 to 31 May 2013.

On the Skyjoy CB investment, the Group received, in total, the principal of Skyjoy CB plus interest of HK\$152,176,000 on 31 May 2013 with an annual internal rate of return around 15.5%.



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

Smartdot is engaged in the development of office automation software and solution projects in the PRC. The Group had sold all its shareholdings in Smartdot to Smartdot's CEO and a company formed by Smartdot's staff respectively at total proceeds of RMB17,927,000 in January 2012. Total proceeds were received by the Group in June 2013. The disposal of Smartdot shares further contributed HK\$4,902,000 gain to the first half results of 2013.

MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS

On 31 May 2013, Cosy Good entered into the Agreement regarding Earlier Redemption of the Skyjoy CB in full by Skyjoy (the "Early Redemption"). Cosy Good has received the redemption amount of approximately HK\$152,000,000, being the aggregate of the outstanding principal amount and interests payable thereof. Accordingly, after the receipt of such redemption amount by Cosy Good, the Early Redemption is completed and there is no outstanding principal sum under the Skyjoy CB. The Early Redemption constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules, details of which are set out in the Company's announcement dated 31 May 2013.

On 13 June 2013, Cosy Good entered into the Share Purchase Agreement (the "PuraPharm Agreement") in relation to the acquisition of 43,642 paid-up ordinary shares of USD1.00 each in the capital of PuraPharm, representing 5% of the entire issued share capital of PuraPharm at the date of the acquisition, at a total consideration of US\$3,400,000 (equivalent to approximately HK\$26,520,000) (the "PuraPharm Acquisition"). Each of the PuraPharm Acquisition and the Vendor's Repurchase Option (as defined in the PuraPharm Agreement) constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules, details of which are set out in the Company's announcement dated 13 June 2013. The PuraPharm Acquisition was completed on 14 June 2013.

On 7 August 2013, in order to maintain its shareholding level of 5% in PuraPharm, Cosy Good entered into the Supplemental Agreement in relation to the PuraPharm Acquisition to acquire an additional 1,604 paid-up ordinary shares of USD1.00 each in the capital of PuraPharm at a total consideration of US\$124,962 (equivalent to approximately HK\$974,704) (the "Additional PuraPharm Acquisition"). Each of (i) the PuraPharm Acquisition (when aggregated with the Additional PuraPharm Acquisition) and (ii) the Vendor's Repurchase Option (as defined in the PuraPharm Agreement) constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules, details of which are set out in the Company's announcement dated 7 August 2013. The Additional PuraPharm Acquisition was completed on 9 August 2013.

Save as disclosed above, the Group had no other material acquisition and disposal of investments during the six months ended 30 June 2013 and up to the date of this report.

LIQUIDITY AND FINANCIAL POSITION

At 30 June 2013, the Group was in very solid financial position with cash and non-pledged deposit holdings of HK\$413,778,000 (31 December 2012: HK\$332,839,000). At 30 June 2013, total borrowings amounted to HK\$17,353,000 (31 December 2012: HK\$6,572,000) with HK\$15,337,000 (31 December 2012: HK\$4,165,000) 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 1.5% at the interim period date (31 December 2012: 0.6%). The current ratio at 30 June 2013 was 12.2 times (31 December 2012: 9.3 times).

At 30 June 2013, the Group's borrowings and bank balances were primarily denominated in Hong Kong dollars, Renminbi and United States dollars and exchange difference were reflected in the unaudited financial statements. All borrowings of the Group are on a floating rate basis. All club debentures of Hilltop are interest free.

The Group's imported purchases are mainly denominated in Euro, Yen and United States dollars. 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 2012: HK\$11,000,000) were given to banks to secure general banking facilities to the extent of HK\$31,000,000 as at 30 June 2013 (31 December 2012: HK\$31,000,000).

EMPLOYEE AND REMUNERATION POLICIES

At the date of this report, the Group employed 298 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 and pension funds, discretionary performance bonus and internal/external training support.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2013, 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 (the "Model Code") set out in Appendix 10 to the Listing Rules, 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:

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 2013, 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.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, 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 the issued share capital
		Personal Interests	Corporate Interests	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%
JONG, Yat Kit (Notes 2 and 3)	Trustee	—	—	570,974,145	570,974,145	34.59%
LAM, Hok Chung Rainier (Notes 2 and 4)	Trustee	—	—	570,974,145	570,974,145	34.59%
YU, Sai Hung (Notes 2 and 5)	Trustee	—	—	570,974,145	570,974,145	34.59%
Accuvantage Limited (Note 6)	Bare Nominee	—	—	40,000,000	40,000,000	2.42%
Cathnor Holdings Limited (Note 7)	Bare Nominee	—	—	40,000,000	40,000,000	2.42%
Owens Assets Limited (Note 8)	Bare Nominee	—	—	40,000,000	40,000,000	2.42%
Throphill Enterprises Limited (Note 9)	Bare Nominee	—	—	40,000,000	40,000,000	2.42%



Notes:

1. The interests 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. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung, as joint and several administrators of the Estate of Kung, Nina. Each of Mr. JONG, Yat Kit, Mr. LAM, Hok Chung Rainier and Mr. YU, Sai Hung is a trustee of the Estate of Nina Kung, also known as Nina T. H. Wang.
3. The interests 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.
4. The interests 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.
5. The interests disclosed under Mr. YU, Sai Hung represents his deemed interests in the shares of the Company by virtue of his interests in Diamond Leaf Limited and Solution Bridge Limited.
6. Accuvantage Limited holds these shares of the Company as bare nominee of the late Nina Kung, also known as Nina T.H. Wang, details of which are set out in the Company's announcement dated 28 May 2013. For the avoidance of doubt, the interests disclosed under Accuvantage Limited are not included in the interests disclosed under the names of Ms. KUNG, Nina (deceased) or Mr. JONG, Yat Kit or Mr. LAM, Hok Chung Rainier or Mr. YU, Sai Hung.
7. Cathnor Holdings Limited holds these shares of the Company as bare nominee of the late Nina Kung, also known as Nina T.H. Wang, details of which are set out in the Company's announcement dated 28 May 2013. For the avoidance of doubt, the interests disclosed under Cathnor Holdings Limited are not included in the interests disclosed under the names of Ms. KUNG, Nina (deceased) or Mr. JONG, Yat Kit or Mr. LAM, Hok Chung Rainier or Mr. YU, Sai Hung.
8. Owens Assets Limited holds these shares of the Company as bare nominee of the late Nina Kung, also known as Nina T.H. Wang, details of which are set out in the Company's announcement dated 28 May 2013. For the avoidance of doubt, the interests disclosed under Owens Assets Limited are not included in the interests disclosed under the names of Ms. KUNG, Nina (deceased) or Mr. JONG, Yat Kit or Mr. LAM, Hok Chung Rainier or Mr. YU, Sai Hung.
9. Throphill Enterprises Limited holds these shares of the Company as bare nominee of the late Nina Kung, also known as Nina T.H. Wang, details of which are set out in the Company's announcement dated 28 May 2013. For the avoidance of doubt, the interests disclosed under Throphill Enterprises Limited are not included in the interests disclosed under the names of Ms. KUNG, Nina (deceased) or Mr. JONG, Yat Kit or Mr. LAM, Hok Chung Rainier or Mr. YU, Sai Hung.

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 2013 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 2013.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company complied with all the Code Provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2013 save for the deviation from Code Provision A.2.1.

Under Code Provision A.2.1 of the 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.

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 2012 Annual Report are set out as follows:

- (1) Owing to an annual revision and with effect from 1 April 2013:
 - (a) the monthly salary of Mr. Raymond Siu Wing CHAN, Executive Director, has been increased to HK\$157,590;
 - (b) the monthly salary of Mr. Victor Yiu Keung CHIANG, Executive Director, has been increased to HK\$144,160;
 - (c) the monthly salary of Mr. Joseph Wing Kong LEUNG, Chairman and Acting Chief Executive Officer, has been increased to HK\$125,350; and
 - (d) the monthly salary of Mr. Wing Tung YEUNG, Executive Director, has been increased to HK\$170,510.
- (2) Mr. Joseph Wing Kong LEUNG, Chairman and Acting Chief Executive Officer, has retired as a supervisor and has been appointed as a director of Yang Ming Marine Transport Corporation, a company whose shares are listed on Taiwan Stock Exchange Corporation, both with effect from 14 June 2013.
- (3) Mr. Victor Yiu Keung CHIANG, Executive Director, has been appointed as a member of the Investment Committee of the Company with effect from 22 March 2013.
- (4) Dr. Cecil Sze Tsung CHAO has resigned as an Independent Non-executive Director of the Company with effect from 1 January 2013.
- (5) Mr. Raymond Shing Loong WONG has resigned as a Non-executive Director of the Company with effect from 1 January 2013.



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to 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 2013.

REVIEW OF INTERIM REPORT

The interim report for the six months ended 30 June 2013 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, and the Independent Non-executive Directors are 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, 23 August 2013

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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
China CITIC Bank International Limited

REGISTERED OFFICE

Suites 3301-03, 33rd Floor, 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

298

WEB SITE

www.enmholdings.com

STOCK CODE

Hong Kong Stock Exchange: 0128
American Depositary Receipt: ENMHY

CORPORATE COMMUNICATIONS

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