ENM HOLDINGS LIMITED

安 寧 控 股 有 限 公 司

(Incorporated in Hong Kong with limited liability)
(Stock code: 128)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

The Board of Directors (the "Board") of ENM Holdings Limited (the "Company") herein present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2011, together with the unaudited and re-presented comparative amounts for the corresponding period in 2010.

The interim report has not been audited, but has been reviewed by the Company's audit committee and the Company's auditor.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Note	**Six months ended 30 June 2011** *HK$'000* *(unaudited)*	2010 *HK$'000* *(unaudited)*
Continuing operations			
Revenue		**147,318**	128,747
Cost of sales		**(57,955)**	(58,253)
Gross profit		**89,363**	70,494
Other income		**3,276**	3,355
Selling and distribution costs		**(50,638)**	(44,955)
Administrative expenses		**(34,269)**	(31,194)
Other operating income/(expenses), net		**(9,827)**	7,843
Profit/(loss) from operations		**(2,095)**	5,543
Fair value gains/(losses) on investment properties, net		**(2,400)**	600
Deficits write-back on revaluation of resort and recreational club properties		**831**	1,527
Finance costs	4	**(434)**	(523)
Share of losses of an associate		**(241)**	(312)
Profit/(loss) before tax		**(4,339)**	6,835
Income tax expense	5	**-**	-
Profit/(loss) for the period from continuing operations		**(4,339)**	6,835
Discontinued operation			
Profit/(loss) for the period from discontinued operation	6	**37,064**	(4,078)
Profit for the period	7	**32,725**	2,757

CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Note	**Six months ended 30 June** **2011** *HK$'000* *(unaudited)*	2010 *HK$'000* *(unaudited)*
Attributable to:			
Owners of the Company			
Profit/(loss) from continuing operations		**(4,339)**	6,835
Profit/(loss) from discontinued operation		**37,088**	(4,057)
Profit attributable to owners of the Company		**32,749**	2,778
Non-controlling interests			
Loss from discontinued operation attributable to non-controlling interests		**(24)**	(21)
		32,725	2,757
Earnings/(loss) per share			
From continuing and discontinued operations			
- basic	8(a)(i)	**1.98 cents**	0.17 cents
- diluted	8(b)	**N/A**	N/A
From continuing operations			
- basic	8(a)(ii)	**(0.26 cents)**	0.41 cents
- diluted	8(b)	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Profit for the period	**32,725**	2,757
Other comprehensive income/(loss):		
Exchange differences on translating foreign operations	**48**	182
Fair value changes of available-for-sale debt investments	**(1,809)**	63
Release of revaluation reserve upon disposal of available-for-sale debt investments	**(4,538)**	-
Other comprehensive income/(loss) for the period, net of tax	**(6,299)**	245
Total comprehensive income for the period	**26,426**	3,002
Attributable to:		
Owners of the Company	**26,450**	2,992
Non-controlling interests	**(24)**	10
	26,426	3,002

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	Note	**30 June 2011** **HK$'000** ***(unaudited)***	31 December 2010 *HK$'000* *(audited)*
Non-current assets			
Property, plant and equipment		**104,832**	108,860
Investment properties		**95,800**	98,200
Intangible assets		**1,594**	1,636
Interest in an associate		**21,078**	21,932
Financial assets at fair value through profit or loss	10	**117,605**	109,843
Available-for-sale equity investments		**30,842**	30,842
Available-for-sale debt investments – convertible bonds		**-**	15,201
Available-for-sale debt investments - note receivables		**23,555**	21,509
Total non-current assets		**395,306**	408,023
Current assets			
Inventories		**54,652**	47,181
Trade receivables	11	**2,573**	2,892
Prepayments, deposits and other receivables		**35,769**	28,915
Financial assets at fair value through profit or loss	10	**239,903**	221,832
Available-for-sale equity investments		**8,578**	8,578
Option derivatives - convertible bonds		**-**	1,510
Pledged bank deposits		**11,342**	11,342
Time deposits		**287,642**	257,969
Cash and bank balances		**64,042**	98,556
Total current assets		**704,501**	678,775
Current liabilities			
Trade and other payables	12	**41,401**	37,929
Interest-bearing bank and other borrowings		**3,869**	19,152
Current portion of debentures		**1,483**	1,303
Total current liabilities		**46,753**	58,384
Net current assets		**657,748**	620,391
Total assets less current liabilities		**1,053,054**	1,028,414

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) AT 30 JUNE 2011

	30 June 2011 *HK$'000* *(unaudited)*	31 December 2010 *HK$'000* *(audited)*
Total assets less current liabilities	**1,053,054**	1,028,414
Non-current liabilities		
Debentures	**4,363**	4,597
Interest-bearing bank and other borrowings	**-**	4
Deferred revenue	**12,119**	13,667
Total non-current liabilities	**16,482**	18,268
NET ASSETS	**1,036,572**	1,010,146
Capital and reserves		
Issued capital	**16,507**	16,507
Reserves	**1,019,222**	992,772
Equity attributable to owners of the Company	**1,035,729**	1,009,279
Non-controlling interests	**843**	867
TOTAL EQUITY	**1,036,572**	1,010,146

Notes:

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 on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed financial statements should be read in conjunction with the 2010 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 2010 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 2011. 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	(Discontinued operation) Tele-communications operation	Resort and recreational club operations	Investments and treasury	Total
	HK$'000 *(unaudited)*	*HK$'000* *(unaudited)*	*HK$'000* *(unaudited)*	*HK$'000* *(unaudited)*	*HK$'000* *(unaudited)*
6 months ended 30 June 2011:					
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**
As at 30 June 2011:					
Segment assets	**124,230**	**470**	**168,491**	**785,538**	**1,078,729**
6 months ended 30 June 2010:					
Revenue from external customers	116,887	-	7,268	4,592	128,747
Segment profit/(loss)	2,641	(4,078)	4,257	158	2,978
As at 31 December 2010:					
Segment assets, audited	134,549	2,200	173,221	754,896	1,064,866

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Reconciliations of segment profit or loss:		
Total profit or loss of reportable segments	**37,546**	2,978
Unallocated corporate administrative expenses	**(2,577)**	(1,513)
Share of losses of an associate	**(241)**	(312)
Fair value gains/(losses) on investment properties, net	**(2,400)**	600
Deficits write-back on revaluation of resort and recreational club properties	**831**	1,527
Finance costs	**(434)**	(523)
Elimination of discontinued operation	**(37,064)**	4,078
Consolidated profit/(loss) for the period from continuing operations	**(4,339)**	6,835

4. Finance Costs

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Interest on bank loans and overdrafts	**356**	441
Interest on finance leases	**1**	4
Accretion of interest on debentures	**77**	78
	434	523

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 2011 and 2010 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 period ended, which have been included in condensed consolidated income statement, are as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Revenue	**43,205**	-
Administrative expenses	**(6,111)**	(4,263)
Other operating income/(expenses), net	**(30)**	185
Profit/(loss) before tax	**37,064**	(4,078)
Income tax expense	**-**	-
Profit/(loss) for the period	**37,064**	(4,078)

The revenue from discontinued operation represents the recovery of disputed services fee income amounting to approximately US$5,500,000 from an international telecommunications carrier arose in previous years.

7. Profit for the Period

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

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Cost of inventories sold^	**57,868**	58,193
Interest income#	**(3,521)**	(2,833)
Dividend income#	**(1,819)**	(1,760)
Amortisation of intangible assets*	**42**	21
Depreciation*	**7,226**	6,634
Directors' remuneration	**3,768**	1,796
Exchange gains, net*	**(860)**	(6,255)
Losses/(gains) from financial assets at fair value through profit or loss, net*:		
Held-for-trading (including option derivatives)		
Interest income	**(352)**	-
Fair value losses, net	**16,803**	4,850
Gain on disposal, net	**(1,152)**	(7,318)
Designated as such upon initial recognition		
Interest income	**(7,895)**	-
Fair value losses	**134**	-
Gain on disposal of available-for-sales debt investments*	**(4,004)**	-
Gain on disposal of property, plant and equipment*	**(62)**	-
Fair value losses/(gains) on investment properties, net	**2,400**	(600)
Charge for/(write back of) inventories allowances	**2,581**	(578)
Write back of accrued payables*	**(23)**	(206)
Write back of other loans*	**-**	(5,754)

^ Cost of inventories sold included charge for inventories allowances of HK$2,581,000 (2010: write back of inventories allowances of HK$578,000).

These amounts are included in "Revenue" from continuing operations.

* These amounts are included in "Other operating income/(expenses), 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$32,749,000 (2010: HK$2,778,000) and the weighted average number of ordinary shares of 1,650,658,676 (2010: 1,650,658,676) in issue during the period.

(ii) From continuing operations

The calculation of basic loss (2010: earnings) per share from continuing operations attributable to owners of the Company is based on the loss for the period from continuing operations attributable to owners of the Company of HK$4,339,000 (2010: profit of HK$6,835,000) and the denominator used is the same as that detailed above for basic earnings per share.

(iii) From discontinued operation

Basic earnings (2010: loss) per share from the discontinued operation is HK 2.25 cents per share (2010: loss of HK 0.25 cents per share) based on the profit for the period from discontinued operation attributable to the owners of the Company of HK$37,088,000 (2010: loss of HK$4,057,000) and the denominators used are 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 2011 and 2010.

9. Dividends

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2011 (2010: Nil).

10. Financial Assets at Fair Value Through Profit or Loss

	30 June 2011 *HK$'000* ***(unaudited)***	31 December 2010 *HK$'000* *(audited)*
Listed investments, at fair value:		
Hong Kong	**210,102**	205,536
Outside Hong Kong	**23,044**	8,627
Market value of listed investments	**233,146**	214,163
Unlisted investments, at fair value:		
Convertible bonds	**117,605**	109,843
Others	**6,757**	7,669
	124,362	117,512
	357,508	331,675
Analysed as:		
Current assets	**239,903**	221,832
Non-current assets	**117,605**	109,843
	357,508	331,675

11. 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 2011 *HK$'000* ***(unaudited)***	31 December 2010 *HK$'000* *(audited)*
Within 1 month	**2,213**	2,605
2 to 3 months	**344**	188
Over 3 months	**16**	99
	2,573	2,892

12. Trade and Other Payables

Included in the Group's trade and other payables as at 30 June 2011 are trade and bills payables of HK$12,878,000 (31 December 2010: HK$6,635,000).

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 2011 *HK$'000* *(unaudited)*	31 December 2010 *HK$'000* *(audited)*
Within 1 month	**12,427**	6,341
2 to 3 months	**451**	217
Over 3 months	**-**	77
	12,878	6,635

13. Comparative Figures

The comparative condensed consolidated income statement has been re-presented as if the telecommunications operation has been discontinued at the beginning of the comparative period.

CHAIRMAN’S STATEMENT

FINANCIAL RESULTS

Turnover from continuing operations for the six months ended 30 June 2011 was HK$147,318,000, an increase of 14% compared with the same period last year. The turnover growth was mainly due to the increase in the fashion retail business.

The Group’s profit attributable to shareholders for the six months ended 30 June 2011 was HK$32,749,000 compared to HK$2,778,000 for the same period last year. The increase in net profit was mainly attributable to (i) the growth in the fashion retail business; and (ii) the recovery of the prior years’ disputed services fees of approximately HK$43,205,000 from the discontinued telecommunications operation. The said recovery of disputed services fees is a one-off and non-recurring income and no income with similar nature will be generated in the future.

BUSINESS REVIEW

Retail Fashion - Swank

Hong Kong

Riding on the bullish market trend, the first half of 2011 saw our turnover jumped from HK$112,500,000 to HK$127,400,000, a 13% increase with profit before tax hitting HK$6,800,000 as opposed to HK$3,200,000 over the same period last year, an improvement of 113%.

The management is mindful of the current unstable financial market condition caused by the downgrading of the US Credit Rating and European sovereign debt situation, and will take necessary measures to react when needed.

Beijing

After two years of operations, Swank Beijing has now achieved its break even point. The first six months sales turnover reached RMB5,000,000 from RMB3,800,000 compared to the same period last year, an increase of 31%.

Management continues to explore other retailing opportunity in China for future development. Opportunity of a second multi-brands shop in Xian is under negotiation with a memorandum of understanding with Century Ginwa Retail Holdings Limited.

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, it is ideally suited for recreational and outdoor activities, conferences and dining.

During the first half of 2011, Hilltop has re-directed marketing effort and adjusted the business composition to accommodate new requirement of the club license. Proactive measures have been taken to increase revenue sources and to control costs. As a result, operating results for the first half of 2011 has significantly improved over the same period last year.

Refurbishment works for the lodge was commenced in June 2011 to upgrade the room conditions for better services to members. The work is scheduled to be completed by September 2011. Hilltop is also studying a club enrichment plan with a potential collaborator to introduce new elements to the club. Management will continue to consider all other options to bring the club back to long term profitability.

VivaSha Club Resort ("VivaSha")

Located in the Putao district of Shanghai with gross floor area of 41,000 square meters, VivaSha is a complex of clubhouse, convention center and 298 hotel rooms, and is operated by Shanghai Landis Hospitality Management Ltd., a 35%-owned associate of the Company.

After Shanghai 2010 World Expo, the hotel section sales for the first half of 2011 dropped from HK$8,200,000 to HK$5,000,000 by 39% owing to the decreases in room rate and occupancy rate. Food and Beverage sales and Club Membership business remain stable. Total sales for the first half of 2011 were HK$22,800,000 with an operating loss of around HK$689,000. Meanwhile, VivaSha's management will continue to focus on the conference package business to increase the revenue for the second half of 2011.

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 ("Shijiazhuang Lerthai").

Shijiazhuang 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. The Project is scheduled to be completed by end of 2013 and targeted to obtain the pre-sales approval certificates in the third quarter of 2011.

Genovate Biotechnology Company Limited ("Genovate")

Genovate is a fully integrated specialty pharmaceutical company that encompasses new drug development and new formulation capabilities, clinical trials for local and international pharmaceutical companies, drug manufacturing, drug marketing and distribution in Taiwan and the region. The Group has 14.1% shareholdings in Genovate.

Through strategic alliance with QPS, a US-based leading full-service Contract Research Organisation ("CRO") who acquired majority interest of Qualitix Clinical Research (previous CRO arm of Genovate) in December 2010, Genovate aims to increase regional pressence for its new drug development via a stronger international preclinical and clinical network.

In March 2011, Genovate received first approval of "new strength" Carisoma 250mg tablet from Taiwan FDA for back pain (muscle relaxant) with similar efficacy to 350mg tablet but reduced drowsiness. Addition of Carisoma will improve sales of niche generics for Genovate. Production of clinical sample of antidiabetic drug DBPR108 was completed in May 2011 and will be ready for phase I "first in man" use after targeted US and Taiwan IND filing in December 2011.

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

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

For the first half of 2011, Smartdot recorded accounting losses of RMB582,000. Due to the standard industry practice to record the majority of new contracts and projects revenue during the second half of the year, Smartdot's management believes that there will be a significant improvement in earnings in a full year operation.

SinoPay.com Holdings Limited ("SinoPay")

The Group has 15.38% shareholdings in SinoPay, a Cayman Islands company. Through SinoPay, the Group previously had an effective interest of approximately 0.29% in China UnionPay Merchant Services Co., Ltd. ("China UMS"), which is a subsidiary of China UnionPay and mainly engages in bankcard acquiring and e-payment business in the PRC with dominant market position.

As informed by China UMS, in order to obtain a third party payment license, which is an official license for China UMS to continue its daily operation and future development, its shareholders need to be 100% domestic. Under this circumstance, SinoPay entered into an agreement with five domestic investors in the PRC to dispose its total shareholdings in China UMS at a profit in February 2011. The substantial amount of sale proceeds have been received.

MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS

The Group had no material acquisition and disposal of investments during the six months ended 30 June 2011 and up to the date of this announcement.

LIQUIDITY AND FINANCIAL POSITION

At 30 June 2011, the Group was in solid financial position with cash and non-pledged deposit holdings of HK$351,684,000 (31 December 2010: HK$356,525,000). At 30 June 2011, total borrowings amounted to HK$9,715,000 (31 December 2010: HK$25,056,000) with HK$5,352,000 (31 December 2010: HK$20,455,000) 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 0.9% at the interim period end date (31 December 2010: 2.5%). The current ratio at 30 June 2011 was 15.1 times (31 December 2010: 11.6 times).

At 30 June 2011, the Group's borrowings and bank balances were primarily denominated in Hong Kong dollars and United States dollars and exchange differences were reflected in the unaudited financial statements. Other than the fixed interest rate of 5% for the finance lease arrangement, 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.

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 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors of the Company are aware of any information that would reasonably indicate that the Company is not or was not for any part of the six months ended 30 June 2011 in compliance with the Code Provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules except for the deviation from Code Provision A.2.1 and Code Provision A.4.1 of the CG Code.

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.

Under Code Provision A.4.1 of the CG Code, Non-executive Directors should be appointed for a specific term and subject to re-election. None of the existing Non-executive and Independent Non-executive Directors of the Company is appointed for a specific term. However, all of the Non-executive and Independent Non-executive Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

BOARD OF DIRECTORS

As at the date of this announcement, 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, 26 August 2011