NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

2007 FINAL RESULTS ANNOUNCEMENT

GROUP FINANCIAL HIGHLIGHTS

	2007 HK$'000	2006 HK$'000	Variance
Turnover	**113,755**	120,892	-6%
Profit attributable to equity holders of the Company before taking into account changes in fair value of investment properties and related tax effects	**49,914**	76,695	-35%
Add: Changes in fair value of investment properties and related tax effects	**109,278**	60,694	+80%
Profit attributable to equity holders of the Company	**159,192**	137,389	+16%
Total equity	**1,861,504**	1,687,807	+10%

	2007 HK$	2006 HK$	
Earnings per share before taking into account changes in fair value of investment properties and related tax effects	**1.14**	1.73	-34%
Add: Changes in fair value of investment properties and related tax effects per share	**2.48**	1.37	+81%
Earnings per share	**3.62**	3.10	+17%
Final dividend per share	**0.40**	0.40	–
Special dividend per share	**0.10**	0.30	-67%
Dividend per share	**0.50**	0.70	-29%
Net asset value per share	**42.83**	38.19	+12%

The Board of Directors of Nanyang Holdings Limited announces that for the year ended 31st December 2007 the Group reported a profit after taxation of HK$159.2 million (2006: HK$137.4 million). The Group valued its investment properties at fair value and the gain was recognised in the income statement. In 2007, the change in fair value of investment properties resulted in a net gain of HK$109.3 million. Excluding the revaluation of the investment properties, the net profit of the year would be HK$49.9 million, a decrease of 35% (2006: HK$76.7 million, excluding the net effect from revaluing the investment properties at fair value of HK$60.7 million). Earnings per share were HK$3.62 (2006: HK$3.10), but if the net effect of recognising at fair value of the investment properties was deducted, earnings per share would be HK$1.14 (2006: HK$1.73). Extract from the Group's audited consolidated financial statements for the year ended 31st December 2007 is given below:

CONSOLIDATED INCOME STATEMENT

		2007 HK$'000	2006 HK$'000
Turnover	*(Note 2)*	**113,755**	120,892
Direct costs		**(12,307)**	(13,301)
Gross profit		**101,448**	107,591
Administrative expenses		**(36,947)**	(34,434)
Other operating income		**2,739**	2,762
Other operating expenses		**(3,207)**	(3,539)
Changes in fair value of investment properties		**112,800**	73,400
Operating profit	*(Note 3)*	**176,833**	145,780
Finance costs	*(Note 4)*	**(4,685)**	(1,609)
Share of profits of jointly controlled entities		**10,387**	8,714
Profit before income tax		**182,535**	152,885
Income tax expense	*(Note 5)*	**(23,343)**	(15,496)
Profit attributable to equity holders of the Company		**159,192**	137,389
Earnings per share (basic and diluted)	*(Note 6)*	**HK$3.62**	HK$3.10

CONSOLIDATED BALANCE SHEET

		2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,809**	3,207
Investment properties		**998,400**	885,600
Jointly controlled entities		**197,833**	109,038
Available-for-sale financial assets		**472,173**	416,780
Deferred income tax assets		**115**	117
		1,671,330	1,414,742
Current assets			
Trade and other receivables	*(Note 8)*	**8,430**	8,895
Financial assets at fair value through profit or loss		**384,288**	380,762
Cash and cash equivalents		**40,683**	137,320
		433,401	526,977
Total assets		**2,104,731**	1,941,719
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**4,346**	4,419
Reserves		**1,857,158**	1,683,388
Total equity		**1,861,504**	1,687,807
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**141,228**	120,553
Current liabilities			
Trade and other payables	*(Note 9)*	**45,772**	42,515
Tax payable		**1,227**	844
Short-term bank loans		**55,000**	90,000
		101,999	133,359
Total liabilities		**243,227**	253,912
Total equity and liabilities		**2,104,731**	1,941,719
Net current assets		**331,402**	393,618
Total assets less current liabilities		**2,002,732**	1,808,360

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

(a) *Basis of preparation*

The consolidated financial statements of Nanyang Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

(b) *Standards, interpretations and amendments to standards that are effective in 2007*

The Group has adopted the following new standard, amendment to standards and interpretation which are relevant to the Group's operations, and mandatory for the financial year ended 31st December 2007:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) Int 10	Interim Financial Reporting and Impairment

HKAS 1 (Amendment) and HKFRS 7 introduce new disclosures relating to financial instruments and do not have any impact on the classification and valuation of the Group's financial instruments.

The adoption of HK (IFRIC) Int 10 does not have any impact on the Group's financial statements.

(c) *Standards, interpretations and amendments to standards that are not yet effective*

The HKICPA has issued certain new standards, amendments and interpretations which are not yet effective as at 31st December 2007. Those which are relevant to the Group's operations are as follows:

		Effective for accounting periods beginning on or after
HKAS 1 (Revised)	Presentation of Financial Statements	1st January 2009
HKFRS 8	Operating Segments	1st January 2008
HKAS 23 (Revised)	Borrowing Costs	1st January 2009

The Group has not early adopted the above standard and amendments in the financial statements for the year ended 31st December 2007. The Group will apply the above standard and amendments from the respective effective dates, but it is not expected to have a significant impact on the Group's financial statements.

2 Turnover and segment information

Turnover recognised during the year comprises the following:

	2007 HK$'000	2006 HK$'000
Gross rental income from investment properties	**45,654**	36,708
Net realised and unrealised gains on financial assets at fair value through profit or loss	**33,281**	53,023
Dividend income from listed investments	**3,129**	2,493
Dividend income from unlisted investments	**11,868**	4,717
Interest income	**6,280**	8,648
Management fee income from investment properties	**8,413**	8,174
Commission income	**5,130**	7,129
	113,755	120,892

(a) *Primary reporting format – business segments*

The Group is organised on a worldwide basis into three main business segments:

Textile – manufacture and distribution of textile products
Property – investment in and leasing of industrial/office premises
Investments – holding and trading of investment securities

There are no sales or other transactions between the business segments.

The segment results for the year ended 31st December 2007 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Group HK$'000
Turnover	**5,130**	**54,067**	**54,558**	**113,755**
Segment results	**4,870**	**126,760**	**45,203**	**176,833**
Finance costs				**(4,685)**
Share of profits of jointly controlled entities	**(2,366)**	**12,753**	**–**	**10,387**
Profit before income tax				**182,535**
Income tax expense				**(23,343)**
Profit attributable to equity holders of the Company				**159,192**
Capital expenditure	**19**	**32**	**–**	**51**
Depreciation	**329**	**116**	**–**	**445**

The segment results for the year ended 31st December 2006 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Group HK$'000
Turnover	7,129	44,882	68,881	120,892
Segment results	6,877	77,458	61,445	145,780
Finance costs				(1,609)
Share of profits of jointly controlled entities	8,714	–	–	8,714
Profit before income tax				152,885
Income tax expense				(15,496)
Profit attributable to equity holders of the Company				137,389
Capital expenditure	–	33	–	33
Depreciation	329	116	–	445

The segment assets and liabilities at 31st December 2007 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Unallocated HK$'000	Group HK$'000
Assets	**2,764**	**1,022,386**	**881,633**	**115**	**1,906,898**
Jointly controlled entities	**105,345**	**92,488**	**–**	**–**	**197,833**
Total assets	**108,109**	**1,114,874**	**881,633**	**115**	**2,104,731**
Total liabilities	**3,525**	**40,075**	**2,172**	**197,455**	**243,227**

The segment assets and liabilities at 31st December 2006 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Unallocated HK$'000	Group HK$'000
Assets	5,123	950,999	876,442	117	1,832,681
Jointly controlled entities	109,038	–	–	–	109,038
Total assets	114,161	950,999	876,442	117	1,941,719
Total liabilities	1,490	38,493	2,532	211,397	253,912

(b) *Secondary reporting format - geographical segments*

The Group's three main business segments operate in the following main geographical areas:

Hong Kong – textile, property and investments
United States of America, Europe, Taiwan and Southeast Asia – investments

There are no sales or other transactions between the geographical segments.

	Turnover		Operating results		Capital expenditure	
	2007 HK$'000	2006 HK$'000	**2007 HK$'000**	2006 HK$'000	**2007 HK$'000**	2006 HK$'000
Hong Kong	**69,926**	60,577	**135,604**	88,162	**51**	33
United States of America	**10,525**	29,058	**9,737**	27,779	**–**	–
Europe	**18,983**	18,114	**17,421**	17,333	**–**	–
Southeast Asia	**4,209**	7,111	**3,929**	6,700	**–**	–
Taiwan	**11,561**	4,259	**11,544**	4,179	**–**	–
Other countries	**(1,449)**	1,773	**(1,402)**	1,627	**–**	–
	113,755	120,892	**176,833**	145,780	**51**	33

Total assets are allocated based on where the assets are located.

	2007 HK$'000	2006 HK$'000
Hong Kong	**1,048,350**	970,883
United States of America	**232,248**	302,604
Europe	**107,787**	70,918
Southeast Asia	**29,213**	37,283
Taiwan	**459,810**	408,978
Other countries	**29,375**	41,898
	1,906,783	1,832,564
Jointly controlled entities	**197,833**	109,038
Unallocated assets	**115**	117
	2,104,731	1,941,719

3 Operating profit

	2007 HK$'000	2006 HK$'000
Operating profit is stated after charging		
Depreciation	**445**	445

4 Finance costs

	2007 HK$'000	2006 HK$'000
Interest on bank loans and overdrafts	**4,685**	1,609

5 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

	2007	2006
	HK$'000	HK$'000
Current income tax		
Hong Kong profits tax	**2,666**	1,499
Deferred income tax	**20,677**	13,997
	23,343	15,496

6 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the Company (HK$'000)	**159,192**	137,389
Weighted average number of ordinary shares in issue (thousands)	**43,934**	44,257
Basic earnings per share (HK$)	**3.62**	3.10

The Company has no dilutive potential ordinary shares.

7 Dividends

	2007	2006
	HK$'000	HK$'000
2006 final dividend paid of HK$0.40 (2006: 2005 final dividend paid of HK$0.35) per share	**17,610**	15,468
2006 special dividend paid of HK$0.30 (2006: Nil) per share	**13,207**	–
	30,817	15,468

8 Trade and other receivables

Included in trade and other receivables are trade receivables of HK$179,000 (2006: HK$406,000).

The Group does not grant any credit to customers. At 31st December 2007, the aging analysis of the trade receivables is as follows:

	Group	
	2007	2006
	HK$'000	HK$'000
Within 30 days	**179**	406

There is no concentration of credit risk with respect to trade receivables.

9 Trade and other payables

Included in trade and other payables are trade payables of HK$1,701,000 (2006: HK$1,796,000).

At 31st December 2007, the aging analysis of the trade payables is as follows:

	Group	
	2007	2006
	HK$'000	HK$'000
Within 30 days	**1,361**	1,456
31 – 60 days	**340**	340
	1,701	1,796

DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.40 per share and a special dividend of HK$0.10 per share, representing a total dividend distribution of approximately HK$21.7 million (2006: final dividend of HK$0.40 per share, special dividend of HK$0.30 per share, representing a total dividend distribution of HK$30.8 million). The final and special dividends will be payable on 21st May 2008. These proposed dividends are not reflected as dividends payable in the financial statements for the year ended 31st December 2007, but will be reflected as appropriations of retained profits for the year ending 31st December 2008.

The transfer books of the Company will be closed from 14th May 2008 to 21st May 2008 both days inclusive. To qualify for the final and special dividends, transfers should be lodged with the Company's branch registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 13th May 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased 731,000 of its shares on The Stock Exchange of Hong Kong Limited, all of which have been cancelled. The Directors believe that share buybacks will be beneficial to the shareholders as the shares are traded at a discount to the net asset value per share. Details of the shares repurchased are as follows:

Month of repurchase	*Number of shares*	*Price per share*		*Aggregate price*
		Highest	*Lowest*	
		HK$	*HK$*	*HK$*
2007				
February	168,500	13.26	12.40	2,183,590
April	3,000	13.20	–	39,600
August	6,000	19.20	–	115,200
September	2,500	18.90	–	47,250
October	480,000	20.30	19.10	9,527,250
November	71,000	19.60	19.50	1,389,300
	731,000			13,302,190

Except as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

BUSINESS REVIEW AND PROSPECTS

Textile Operations

In 2007, Shanghai Sung Nan Textile Company Limited, the Company's 64.7% joint venture in Shanghai, reported a loss due to sluggish denim sales, increases in cotton prices and energy costs. Our share of the loss was HK$3.6 million. In 2008, the high cotton prices, reduction in tax subsidy for exported goods and the appreciation of the RMB exchange rate will have a negative impact on the company. Construction at the industrial site of approximately 80,000 sq.m. in Taicang, Kiangsu Province, has commenced on 29th November 2007.

The Company's 45% joint venture in Shenzhen, Southern Textile Company Limited continued to perform satisfactorily. Its main asset, a factory building which is leased to third parties, is presently 93.7% occupied.

Real Estate

Rental rates of prime office space in Central increased sharply in 2007. The widening rental gap benefited the industrial/office (I/O) market elsewhere and we were able to achieve higher rental levels. Of the 290,000 sq.ft. of I/O space which the Company holds at Nanyang Plaza, presently, it is 95% leased.

At the end of June, the Company through an indirect subsidiary, made an investment of 33% in a Shanghai property which has a total leaseable floor area of approximately 23,500 sq.m. The Company's commitment amounted to HK$153.8 million. Funding for this investment came partly from cash raised from the investment portfolios and the balance of 45% from bank borrowings raised by the joint venture. The transfer of the ownership of the building was completed on 20th March 2008. Presently, the building is 47% leased at market terms to two anchor tenants who are also the joint venture partners in this investment property.

The revaluation of the investment properties of the Company and the Shanghai building at fair value resulted in a net gain of HK$109.3 million which has been recognised in the consolidated income statement.

Financial Investments

In the second half of 2007, equity markets continued to perform satisfactorily until the end of October. At that time, the market value of the Company's investment portfolios reached US$60.6 million. We then decided to reduce equity positions and build up more cash in anticipation that the subprime mortgage problem in the United States could bring volatility to the markets. The cash generated from the portfolios was used to repurchase the Company's shares and for the investment in the Shanghai property project. For the year 2007, the Company's investment portfolios showed a positive return of 8.04%. At the year end, the value of the portfolios stood at US$53.6 million.

As at 25th March 2008, this was reduced to US$47.8 million due to a combination of disposals and declining market values. As of now, the investment portfolios was made up of 55% equities (of which 28% is US equities), 13% bonds, 21% alternative strategies and 11% in cash and money market instruments.

The U.S. economy continues to weaken and problems associated with subprime mortgages and structured investment vehicles remain. We expect significant volatility and uncertainty in the financial markets to continue.

In 2006, the Company subscribed to the new shares issued by the Shanghai Commercial and Savings Bank Limited, in Taiwan; the value of this investment has increased by HK$51 million or by 12.5%, in spite of the financial crisis. With the election of the new government in Taiwan, we expect that there will be new initiatives to promote cross-strait activities. The Shanghai Commercial Banking Group has a network of subsidiaries, branches and affiliates set up in the PRC, Hong Kong and Taiwan and should be well positioned to benefit from these new policies.

FINANCIAL POSITION

The Group's investment properties with a value of HK$973.0 million (31/12/2006: HK$864.3 million) have been mortgaged to a bank to secure general banking facilities. As at 31st December 2007, HK$55 million (31/12/2006: HK$90 million) of these facilities were utilised. At the end of the year, the Company had net current assets of HK$331.4 million (31/12/2006: HK$393.6 million).

EMPLOYEES

The Group employed 24 employees as at 31st December 2007. Remuneration is determined by reference to the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical cover and provident funds.

CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31st December 2007, in compliance with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CODE FOR DEALING IN COMPANY'S SECURITIES BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). The Directors have complied with the required standard set out in the Model Code throughout the year ended 31st December 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the draft consolidated financial statements for the year ended 31st December 2007 with the management.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE EXCHANGE'S WEBSITE

The Company will submit all the information required by paragraphs 46(1) to 46(6) inclusive of Appendix 16 of the Listing Rules to the Stock Exchange of Hong Kong as soon as possible for publication on the website of the Stock Exchange of Hong Kong.

By Order of the Board
John Barr
Company Secretary

Hong Kong, 2nd April 2008

As at the date of this announcement, the Board comprises seven Directors as follows:

* Rudolf Bischof *(Chairman)*
Y. C. Wang *(Senior Managing Director)*
H. C. Yung, JP *(Managing Director and General Manager)*
Lincoln C. K. Yung, JP *(Deputy Managing Director)*
* James J. Bertram
* Robert T. T. Sze
Jennie Chen

* *Independent non-executive director*

"Please also refer to the published version of this Announcement in South China Morning Post."