NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

2010 FINAL RESULTS ANNOUNCEMENT

GROUP FINANCIAL HIGHLIGHTS

	2010 HK$'000	2009 HK$'000	Variance
Revenue	**134,559**	107,263	25%
Profit attributable to equity holders of the Company before taking into account changes in fair value of investment properties and related tax effects	**67,471**	44,395	52%
Add: Changes in fair value of investment properties and related tax effects	**48,457**	19,774	145%
Profit attributable to equity holders of the Company	**115,928**	64,169	81%
Total equity	**2,455,776**	1,794,815	37%

	2010 HK$	2009 HK$	
Earnings per share before taking into account changes in fair value of investment properties and related tax effects	**1.61**	1.06	52%
Add: Changes in fair value of investment properties and related tax effects per share	**1.16**	0.47	147%
Earnings per share	**2.77**	1.53	81%
Final dividend per share	**0.40**	0.40	–
Special dividend per share	**0.40**	0.15	167%
Dividend per share	**0.80**	0.55	45%
Net asset value per share	**59.36**	42.71	39%

The Board of Directors of Nanyang Holdings Limited announces that for the year ended 31st December 2010 the Group reported a profit after taxation of HK$115.9 million (2009: profit of HK$64.2 million). This is due mainly to dividend income from The Shanghai Commercial & Savings Bank, Ltd. and rental income from Nanyang Plaza. The Group valued its investment properties at fair value and the gain was recognised in the income statement. The change in fair value of investment properties (including that owned by a jointly controlled entity) resulted in a net gain of HK$48.5 million (2009: HK$19.8 million) to the Group. Excluding the net effect from revaluing the investment properties at fair value, the net profit of the year would be HK$67.5 million (2009: profit of HK$44.4 million). Earnings per share were HK$2.77 (2009: HK$1.53). The Group's net asset value per share increased from HK$42.71 (at 31/12/2009) to HK$59.36 (at 31/12/2010), representing an increase of 39%.

The financial information set out in this announcement below does not constitute the Group's consolidated financial statements for the year ended 31st December 2010, but represents an extract from those consolidated financial statements. The financial information has been agreed by the Group's external auditors, PricewaterhouseCoopers.

CONSOLIDATED INCOME STATEMENT

		2010	2009
		HK$'000	HK$'000
Revenue	*(Note 2)*	**134,559**	107,263
Direct costs		**(11,897)**	(11,157)
Gross profit		**122,662**	96,106
Administrative expenses		**(36,346)**	(37,475)
Other operating income		**1,031**	739
Other operating expenses		**(3,753)**	(3,704)
Changes in fair value of investment properties		**56,270**	21,200
Operating profit	*(Note 3)*	**139,864**	76,866
Finance costs	*(Note 4)*	**(352)**	(25)
Share of profits less losses of jointly controlled entities		**(47)**	(5,033)
Profit before income tax		**139,465**	71,808
Income tax charge	*(Note 5)*	**(23,537)**	(7,639)
Profit attributable to equity holders of the Company		**115,928**	64,169
Earnings per share (basic and diluted)	*(Note 6)*	**HK$2.77**	HK$1.53
Dividends	*(Note 7)*	**33,097**	23,114

CONSOLIDATED BALANCE SHEET

		2010 HK$'000	2009 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,528**	1,948
Investment properties		**1,081,920**	999,900
Jointly controlled entities		**176,455**	173,535
Available-for-sale financial assets		**1,140,386**	510,774
Derivative financial assets		**145**	398
Deferred income tax assets		**506**	106
Prepayment for investment		**–**	62,766
		2,400,940	1,749,427
Current assets			
Trade and other receivables	*(Note 8)*	**9,754**	7,170
Financial assets at fair value through profit or loss		**216,636**	198,126
Tax recoverable		**1,357**	651
Cash and cash equivalents		**55,276**	70,247
		283,023	276,194
Total assets		**2,683,963**	2,025,621
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**4,137**	4,202
Other reserves		**1,053,958**	474,889
Retained profit		**1,397,681**	1,315,724
Total equity		**2,455,776**	1,794,815
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**152,190**	137,362
Derivative financial liabilities		**337**	48
		152,527	137,410
Current liabilities			
Trade and other payables	*(Note 9)*	**45,660**	43,396
Short-term bank loans		**30,000**	50,000
		75,660	93,396
Total liabilities		**228,187**	230,806
Total equity and liabilities		**2,683,963**	2,025,621
Net current assets		**207,363**	182,798
Total assets less current liabilities		**2,608,303**	1,932,225

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT 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, derivative financial instruments and financial assets at fair value through profit or loss, which are carried at fair values.

(b) Standards, interpretations and amendments to standards that are effective in 2010 and are relevant to the Group's operations

During the year ended 31st December 2010, the Group has adopted the following new or revised standards, interpretations and amendments to standards which are relevant to the Group's operations and are mandatory for accounting periods beginning on 1st January 2010:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 7 (Amendment)	Cash Flow Statements
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 36 (Amendment)	Impairment of Assets
HKAS 38 (Amendment)	Intangible Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HKFRS 3 (Revised)	Business Combinations
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 8 (Amendment)	Operating Segments
HK (IFRIC) – Int 17	Distribution of Non-Cash Assets to Owners

The adoption of these revised standards and amendments does not have significant change to the accounting policies or any significant effect on the results and financial position of the Group.

(c) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st January 2011 or later periods but have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 12 (Amendment)	Income Taxes	1st January 2012
HKAS 24 (Revised)	Related Party Disclosure	1st January 2011
HKFRS 9	Financial Instruments	1st January 2013

Annual improvements to Hong Kong Financial Reporting Standard (2010) were issued in May 2010 by HKICPA. All improvements are effective in the financial year of 2011.

The Group has not early adopted the above new standards and amendments in the financial statements for the year ended 31st December 2010. The Group has commenced an assessment of their expected impact but is not yet in a position to state whether they will have a material impact on the Group's financial statements.

2 REVENUE AND SEGMENT INFORMATION

Revenue (representing the Group's turnover) recognised during the year comprises the following:

	2010 **HK$'000**	2009 HK$'000
Gross rental income from investment properties	**47,034**	47,628
Net realised and unrealised gains on financial assets at fair value through profit or loss	**16,299**	36,937
Dividend income from financial assets at fair value through profit or loss	**1,787**	1,604
Dividend income from available-for-sale financial assets	**59,260**	11,341
Interest income	**2,155**	1,799
Management fee income from investment properties	**8,024**	7,954
	134,559	107,263

Management has determined the operating segments based on the reports and analysed from a business perspective:

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 2010 are as follows:

	Textile HK$'000	**Property HK$'000**	**Investments HK$'000**	**Group HK$'000**
Total revenue	**–**	**54,831**	**79,728**	**134,559**
Operating profit	**–**	**64,099**	**75,765**	**139,864**
Finance costs				**(352)**
Share of (losses)/profits of jointly controlled entities	**(4,475)**	**4,428**	**–**	**(47)**
Profit before income tax				**139,465**
Income tax charge				**(23,537)**
Profit attributable to equity holders of the Company				**115,928**
Capital expenditure	**–**	**12**	**–**	**12**
Depreciation	**–**	**118**	**146**	**264**
Revaluation gain on investment properties	**–**	**56,270**	**–**	**56,270**

2 REVENUE AND SEGMENT INFORMATION *(Continued)*

The segment results for the year ended 31st December 2009 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Group HK$'000
Total revenue	–	55,582	51,681	107,263
Operating (loss)/profit	(595)	34,617	42,844	76,866
Finance costs				(25)
Share of (losses)/profits of jointly controlled entities	(10,209)	5,176	–	(5,033)
Profit before income tax				71,808
Income tax charge				(7,639)
Profit attributable to equity holders of the Company				64,169
Capital expenditure	–	2	–	2
Depreciation	328	95	22	445
Revaluation gain on investment properties	–	21,200	–	21,200

The segment assets and liabilities as at 31st December 2010 are as follows:

	Textile HK$'000	**Property HK$'000**	**Investments HK$'000**	**Total HK$'000**
Segment assets	**–**	**1,083,191**	**1,423,811**	**2,507,002**
Interests in jointly controlled entities	**41,492**	**134,963**	**–**	**176,455**
Unallocated assets	**–**	**–**	**–**	**506**
	41,492	**1,218,154**	**1,423,811**	**2,683,963**
Segment liabilities	**–**	**43,609**	**2,388**	**45,997**
Unallocated liabilities	**–**	**–**	**–**	**182,190**
	–	**43,609**	**2,388**	**228,187**

The segment assets and liabilities as at 31st December 2009 are as follows:

	Textile HK$'000	Property HK$'000	Investments HK$'000	Total HK$'000
Segment assets	2,787	1,000,572	848,621	1,851,980
Interests in jointly controlled entities	47,956	125,579	–	173,535
Unallocated assets	–	–	–	106
	50,743	1,126,151	848,621	2,025,621
Segment liabilities	382	41,145	1,917	43,444
Unallocated liabilities	–	–	–	187,362
	382	41,145	1,917	230,806

2 **REVENUE AND SEGMENT INFORMATION** *(Continued)*

The Company is incorporated in Bermuda and is domiciled in Hong Kong. The Group's revenue from Hong Kong and from other countries for the year ended 31st December is analysed as follow:

	2010	2009
	HK$'000	HK$'000
Hong Kong	**58,003**	64,967
United States of America	**11,975**	15,604
Europe	**(521)**	6,766
Southeast Asia	**3,108**	5,924
Taiwan	**59,076**	11,272
Other countries	**2,918**	2,730
	134,559	107,263

3 **OPERATING PROFIT**

	2010	2009
	HK$'000	HK$'000
Operating profit is stated after charging depreciation	**264**	445

4 **FINANCE COSTS**

	2010	2009
	HK$'000	HK$'000
Interest on bank loans and overdrafts	**352**	25

5 **INCOME TAX CHARGE**

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. Withholding tax on dividend receivable from overseas investments including jointly controlled entities has been calculated at the rates of taxation prevailing in the countries in which the investments operate.

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

	2010	2009
	HK$'000	HK$'000
Current income tax		
Hong Kong profits tax	**369**	1,272
Withholding tax	**12,080**	–
Under/(over) provision in prior years	**59**	(39)
	12,508	1,233
Deferred income tax	**11,029**	6,406
	23,537	7,639

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.

	2010	2009
Earnings (HK$'000)		
Earnings for the purpose of calculating the basic and dilutive earnings per share *(note)*	**115,928**	64,169
Number of shares		
Weighted average number of ordinary shares in issue (thousands)	**41,855**	42,025
Earnings per share (HK$)		
Basic and dilutive	**2.77**	1.53

Note: The Company has no dilutive potential ordinary shares.

7 DIVIDENDS

	2010 **HK$'000**	2009 HK$'000
2010 proposed final dividend of HK$0.40 (2009: HK$0.40) per share	**16,548**	16,810
2010 proposed special dividend of HK$0.40 (2009: HK$0.15) per share	**16,549**	6,304
	33,097	23,114

8 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$30,000 (2009: HK$218,000).

The Group does not grant any credit term to customers. At 31st December 2010, the aging analysis of the trade receivables is as follows:

	2010 **HK$'000**	2009 HK$'000
Within 30 days	**30**	218

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$1,769,000 (2009: HK$1,290,000).

At 31st December 2010, the aging analysis of the trade payables is as follows:

	2010 **HK$'000**	2009 HK$'000
Within 30 days	**1,429**	950
31 – 60 days	**340**	340
	1,769	1,290

DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.40 per share and a special dividend of HK$0.40 per share, representing a total dividend distribution of approximately HK$33.1 million (2009: final dividend of HK$0.40 per share and a special dividend of HK$0.15 per share, representing a total dividend distribution of HK$23.1 million). The final and special dividends will be payable on 20th May 2011. These proposed dividends are not reflected as dividends payable in the financial statements for the year ended 31st December 2010, but will be reflected as appropriations of retained profit for the year ending 31st December 2011.

The register of members of the Company will be closed from 13th May 2011 to 20th May 2011, 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 Thursday, 12th May 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased 654,000 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 purchased	Price per share Highest HK$	Price per share Lowest HK$	Aggregate price HK$
2010				
September	654,000	16.32	16.10	10,540,440

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 2010, Shanghai Sung Nan Textile Company Limited ("Sung Nan"), the Group's 65% joint venture, sold its textile production machinery and equipment. During the year, Sung Nan reached an agreement with the Taicang local government authorities to assign the project at the industrial site in Taicang, Jiangsu Province, to another investor. We shall continue to monitor the situation.

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

Real Estate

Due to sustained growth of economic activities in the local economy, take-up rate and rental levels in the Central Business District improved. Occupancy and rental rates at our building in Kwun Tong have increased slightly. We are offering competitive leasing packages with incentives to retain tenants and to attract new ones. Of the 290,000 sq.ft. of industrial/office space the Group holds at Nanyang Plaza, 92.1% is presently leased.

Leasing activities of the commercial property, in the Jingan District in Shanghai, which the Group owned 33%, continued to be satisfactory. The building, which has a total leasable area of 23,500 sq.m., 97.6% is presently leased.

Financial Investments Review and Prospects

In the second half of 2010, equity markets improved. For the year ended 31st December 2010, our investment portfolios showed a positive return of 7.2% and the market value was US$33.9 million or approximately HK$263.9 million.

Since the beginning of 2011, the US market trended higher and we gradually increased US equities. Emerging markets which performed well last year, were in a correction mode as their governments increased interest rates to cool off the economy. Commodity prices, particularly agricultural products, continued to rise due to extreme weather conditions. Towards the end of February, however, world financial markets were affected by turmoil in the Middle East, which led to a spike in oil prices. As at 28th February 2011, the portfolios increased by 1.2% and their values stood at US$34.3 million or approximately HK$267.0 million. Equities comprised 48.9% (of which 31.8% was in US equities), 22.7% was in bonds, 3.9% in alternative investments, 7.4% in commodities and 17.1% in cash.

If the recent rise in oil prices is only temporary, it will not have a severe impact on the global economy. However, if high oil prices persist, it will derail the fragile global recovery as governments may have to increase interest rates sooner to fight inflation. This could create volatility in the equity markets and affect the performance of our portfolios.

FINANCIAL POSITION

The Group's investment properties with a value of HK$1,016.0 million (31/12/2009: HK$975.0 million) have been used to secure general banking facilities of which HK$5.0 million (2009: HK$9.0 million) is being utilised as a guarantee to a jointly controlled entity. As at 31st December 2010, HK$30.0 million (31/12/2009: HK$50.0 million) of these facilities had been utilised. At the end of the year, the Group had net current assets of HK$207.4 million (31/12/2009: HK$182.8 million).

EMPLOYEES

The Group employed 18 employees as at 31st December 2010. Remuneration is determined by reference to the qualifications and experience of the staff concerned. Salaries and discretionary bonuses are reviewed annually. 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 2010, 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"). Without the prior knowledge of a Director, his associate (as defined under the Listing Rules) has dealt in the shares of the Company without obtaining the permission to deal from the Chairman. The Director reported to the Company as soon as he became aware of the fact. He has also reminded his associate not to deal in the shares of the Company without complying with the notification and other requirements of the Model Code. Save as disclosed, the Directors have complied with the standard set out in the Model Code throughout the year ended 31st December 2010.

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 2010 with the management.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT

Please refer to the website of the Stock Exchange of Hong Kong and the Company's website at http://www.nanyangholdingslimited.com for details of the 2010 Final Results Announcement.

By Order of the Board
John Barr
Company Secretary

Hong Kong, 14th March 2011

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

Executive Directors :
Y. C. Wang *(Senior Managing Director)*
H. C. Yung, JP *(Managing Director)*
Lincoln C. K. Yung, JP *(Deputy Managing Director)*
Jennie Chen

Independent Non-Executive Directors :
Rudolf Bischof *(Chairman)*
James J. Bertram
Robert T. T. Sze