NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

2013 FINAL RESULTS ANNOUNCEMENT

GROUP FINANCIAL HIGHLIGHTS

	2013 HK$'000	2012 HK$'000	Variance
Revenue	**155,651**	140,716	11%
Profit attributable to equity holders of the Company before taking into account changes in fair value of investment properties and related tax effects	**108,040**	76,197	42%
Add: Changes in fair value of investment properties and related tax effects	**54,164**	483,435	(89%)
Profit attributable to equity holders of the Company	**162,204**	559,632	(71%)
Total equity	**3,647,253**	3,396,020	7%

	2013 HK$	2012 HK$	
Earnings per share before taking into account changes in fair value of investment properties and related tax effects	**2.63**	1.85	42%
Add: Changes in fair value of investment properties and related tax effects per share	**1.31**	11.70	(89%)
Earnings per share	**3.94**	13.55	(71%)
Final dividend per share	**0.40**	0.40	–
Special dividend per share	**0.50**	0.40	25%
Dividend per share	**0.90**	0.80	12.5%
Net asset value per share	**88.68**	82.25	8%

The Board of Directors of Nanyang Holdings Limited announces that for the year ended 31st December 2013 the Group reported a profit after taxation of HK$162.2 million (2012: profit of HK$559.6 million), a decrease of 71%. The decline in the current year's profit is due mainly to a decrease in the fair value gain of investment properties. The gain in fair value of investment properties in 2013 (including those owned by joint ventures) was HK$54.2 million as compared with HK$483.4 million in 2012. This resulted in a net change of HK$429.2 million. Excluding the net effect from revaluing the investment properties at fair value, the net profit for the year would have been HK$108.0 million (2012: profit of HK$76.2 million), an increase of 42%. The gain was derived mainly from dividend income from The Shanghai Commercial & Savings Bank, Ltd. of approximately HK$46.0 million and gains from the investment portfolios of approximately of HK$30.7 million. Earnings per share were HK$3.94 (2012: HK$13.55). The Group's net asset value per share increased from HK$82.25 (at 31/12/2012) to HK$88.68 (at 31/12/2013).

The figures in respect of this announcement below has been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31st December 2013. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2013

	Note	**2013 HK$'000**	2012 HK$'000
Revenue	*2*	**155,651**	140,716
Direct costs		**(13,551)**	(13,313)
Gross profit		**142,100**	127,403
Administrative expenses		**(30,737)**	(31,618)
Other operating expenses		**(1,555)**	(1,920)
Changes in fair value of investment properties		**50,470**	463,290
Operating profit	*3*	**160,278**	557,155
Finance costs	*4*	**(794)**	(1,082)
Share of profits less losses of joint ventures		**14,558**	22,188
Profit before income tax		**174,042**	578,261
Income tax expense	*5*	**(11,838)**	(18,629)
Profit attributable to equity holders of the Company		**162,204**	559,632
Earnings per share (basic and diluted)	*6*	**HK$3.94**	HK$13.55
Dividends	*7*	**37,015**	32,902

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2013

	2013 HK$'000	2012 HK$'000
Profit for the year	**162,204**	559,632
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Fair value gains/(losses) on available-for-sale financial assets	**84,945**	(40,987)
Share of property revaluation reserve of a joint venture, net of tax	**30,505**	–
Currency translation differences	**10,796**	1,037
Other comprehensive income for the year, net of tax	**126,246**	(39,950)
Total comprehensive income attributable to equity holders of the Company	**288,450**	519,682

CONSOLIDATED BALANCE SHEET
As at 31st December 2013

	Note	2013 HK$'000	2012 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,140**	1,119
Investment properties		**1,742,200**	1,691,730
Joint ventures		**260,958**	212,606
Available-for-sale financial assets		**1,431,326**	1,342,745
Deferred income tax assets		**384**	102
		3,436,008	3,248,302
Current assets			
Trade and other receivables	*8*	**19,894**	15,924
Financial assets at fair value through profit or loss		**253,116**	212,093
Cash and cash equivalents		**55,759**	66,722
		328,769	294,739
Total assets		**3,764,777**	3,543,041
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**4,113**	4,129
Other reserves		**1,271,329**	1,144,675
Retained profits		**2,371,811**	2,247,216
Total equity		**3,647,253**	3,396,020
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**18,572**	21,048
		18,572	21,048
Current liabilities			
Trade and other payables	*9*	**44,924**	44,813
Current income tax liabilities		**1,028**	1,160
Short term bank loans		**53,000**	80,000
		98,952	125,973
Total liabilities		**117,524**	147,021
Total equity and liabilities		**3,764,777**	3,543,041
Net current assets		**229,817**	168,766
Total assets less current liabilities		**3,665,825**	3,417,068

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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. 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 values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and revised standards and amendments to standards that are effective in 2013 and are relevant to the Group's operations

During the year ended 31st December 2013, the Group has adopted the following new and revised standards and amendments to standards which are mandatory for accounting periods beginning on 1st January 2013:

Hong Kong Accounting Standard ("HKAS")1 (Amendment)	Presentation of Financial Statements
HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (Revised)	Separate Financial Statements
HKAS 28 (Revised)	Associates and Joint Ventures
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
Annual Improvements Project	Annual Improvements 2011

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

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(b) New standards, interpretations and amendments to standards that are not yet effective and have not been early adopted by the Group

The following new standards, interpretations and amendments to standards have been published which are mandatory for the Group's accounting periods beginning on or after 1st January 2014 or later periods but have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1st January 2014
HKAS 36 (Amendment)	Impairment of Assets	1st January 2014
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of Derivatives	1st January 2014
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosure	1st January 2015
HKFRS 9	Financial Instruments	1st January 2015
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Consolidation for Investment Entities	1st January 2014
Hong Kong International Financial Reporting Interpretations Committee (HK(IFRIC)) 21	Levies	1st January 2014
Annual Improvements Project	Annual Improvements 2012 & 2013	1st July 2014

The Group has not early adopted the above new standards, interpretations and amendments to standards in the financial statements for the year ended 31st December 2013. 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 recognised during the year comprises the following:

	2013	2012
	HK$'000	HK$'000
Gross rental income from investment properties	**56,448**	49,065
Net realised and unrealised gains on financial assets at fair value through profit or loss	**28,274**	22,284
Dividend income from financial assets at fair value through profit or loss	**2,539**	1,787
Dividend income from available-for-sale financial assets	**57,696**	56,595
Interest income	**1,578**	1,968
Management fee income from investment properties	**8,855**	8,752
Other	**261**	265
	155,651	140,716

2 REVENUE AND SEGMENT INFORMATION *(Cont'd)*

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

Real estate	–	investment in and leasing of industrial/office premises
Financial 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 2013 are as follows:

	Real estate HK$'000	**Financial investments HK$'000**	**Total HK$'000**
Total revenue	**65,303**	**90,348**	**155,651**
Segment result	**74,752**	**85,526**	**160,278**
Finance costs			**(794)**
Share of profits less losses of joint ventures	**14,558**	**–**	**14,558**
Profit before income tax			**174,042**
Income tax charge			**(11,838)**
Profit attributable to equity holders of the Company			**162,204**
Other items			
Depreciation	**50**	**159**	**209**
Revaluation gain on investment properties	**50,470**	**–**	**50,470**

The segment results for the year ended 31st December 2012 are as follows:

	Real estate HK$'000	Financial investments HK$'000	Total HK$'000
Total revenue	57,817	82,899	140,716
Segment result	480,806	76,349	557,155
Finance costs			(1,082)
Share of profits less losses of joint ventures	22,188	–	22,188
Profit before income tax			578,261
Income tax charge			(18,629)
Profit attributable to equity holders of the Company			559,632
Other items			
Depreciation	45	156	201
Revaluation gain on investment properties	463,290	–	463,290

2 REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Reportable segments' assets and liabilities are reconciled to total assets and liabilities below. Segment assets exclude interests in joint ventures and deferred income tax assets, and segment liabilities exclude deferred income tax liabilities and short term bank loans which are managed on a central basis.

The segment assets and liabilities as at 31st December 2013 are as follows:

	Real estate HK$'000	**Financial investments HK$'000**	**Total HK$'000**
Segment assets	**1,743,713**	**1,759,722**	**3,503,435**
Interests in joint ventures	**260,958**	**–**	**260,958**
Unallocated assets			**384**
			3,764,777
Segment liabilities	**43,525**	**2,427**	**45,952**
Unallocated liabilities			**71,572**
			117,524

The segment assets and liabilities as at 31st December 2012 are as follows:

	Real estate HK$'000	Financial investments HK$'000	Total HK$'000
Segment assets	1,692,621	1,637,712	3,330,333
Interests in joint ventures	212,606	–	212,606
Unallocated assets			102
			3,543,041
Segment liabilities	43,242	2,731	45,973
Unallocated liabilities			101,048
			147,021

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 follows:

	2013 HK$'000	2012 HK$'000
Hong Kong	**68,736**	61,637
United States of America	**16,008**	11,409
Europe	**10,363**	7,267
Taiwan	**57,508**	56,423
Other countries	**3,036**	3,980
	155,651	140,716

2 REVENUE AND SEGMENT INFORMATION *(Cont'd)*

At 31st December 2013, the total of non-current assets other than financial instruments and deferred income tax assets located/operated in Hong Kong and in other places are as follows:

	2013	2012
	HK$'000	HK$'000
Hong Kong	**1,742,677**	1,692,028
Mainland China	**261,621**	213,427
	2,004,298	1,905,455

3 OPERATING PROFIT

Operating profit is stated after charging the following:

	2013	2012
	HK$'000	HK$'000
Depreciation	**209**	201
Employee benefit expense (including directors' emoluments)	**25,104**	24,600
Realised fair value loss on derivative financial instruments	**–**	12
Operating lease payments on land and buildings	**3,556**	2,860
Management fee expense in respect of investment properties	**9,967**	9,360

4 FINANCE COSTS

	2013	2012
	HK$'000	HK$'000
Interest on bank loans	**794**	1,082

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year. Withholding tax on dividends receivable from overseas investments including joint ventures has been calculated at the rates of taxation prevailing in the countries in which the investments operate.

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

	2013	2012
	HK$'000	HK$'000
Current income tax		
Hong Kong profits tax	**2,484**	1,422
Withholding tax	**11,815**	15,051
Over provision in prior years	**(10)**	(15)
	14,289	16,458
Deferred income tax	**(2,451)**	2,171
	11,838	18,629

5 **INCOME TAX EXPENSE** *(Cont'd)*

The Group's share of income tax expense of joint ventures for the year amounted to HK$11,642,000 (2012: HK$9,562,000) and is included in the consolidated income statement as share of profits less losses of joint ventures.

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.

	2013	2012
Earnings (HK$'000)		
Profit attributable to equity holders of the Company	**162,204**	559,632
Number of shares (thousands)		
Weighted average number of ordinary shares in issue	**41,130**	41,287
Earnings per share (HK$)		
Basic and dilutive *(Note)*	**3.94**	13.55

Note: The Company has no dilutive potential ordinary shares and basic earnings per share are equal to diluted earnings per share.

7 **DIVIDENDS**

	2013 **HK$'000**	2012 HK$'000
2013 proposed final dividend of HK$0.40 (2012: HK$0.40) per share	**16,451**	16,451
2013 proposed special dividend of HK$0.50 (2012: HK$0.40) per share	**20,564**	16,451
	37,015	32,902

8 **TRADE AND OTHER RECEIVABLES**

	2013 **HK$'000**	2012 HK$'000
Trade receivables	**201**	243
Prepayments and deposits	**8,043**	7,402
Other receivables	**11,650**	8,279
	19,894	15,924

The Group does not grant any credit term to customers. At 31st December 2013, the aging analysis of the trade receivables is as follows:

	2013 **HK$'000**	2012 HK$'000
Within 30 days	**160**	217
31–60 days	**41**	26

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

9 TRADE AND OTHER PAYABLES

	2013 HK$'000	2012 HK$'000
Trade payables	**2,002**	2,031
Other payables	**42,922**	42,782
	44,924	44,813

At 31st December 2013, the aging analysis of the trade payables is as follows:

	2013 HK$'000	2012 HK$'000
Within 30 days	**1,662**	1,691
31–60 days	**340**	340
	2,002	2,031

DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.40 per share and a special dividend of HK$0.50 per share, representing a total dividend distribution of approximately HK$37.02 million, an increase of 12.5% (2012: final dividend of HK$0.40 per share and a special dividend of HK$0.40 per share, representing a total dividend distribution of HK$32.9 million). The final and special dividends will be payable on 6th June 2014. These proposed dividends are not reflected as dividends payable in the financial statements for the year ended 31st December 2013, but will be reflected as appropriations of retained profits for the year ending 31st December 2014.

The register of members of the Company will be closed from 29th May 2014 to 30th May 2014, 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 Wednesday, 28th May 2014.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased 159,500 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	Price per share Lowest	Aggregate price
		HK$	HK$	HK$
2013				
January	159,500	27.3	26.4	4,315,425

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

BUSINESS REVIEW AND PROSPECTS

Real Estate

Hong Kong

The additional cooling measures taken by the government in early 2013 took the steam off the buoyant property market. Sale transactions reduced substantially and property prices have gradually levelled off. Rentals at the Group's principal property in Hong Kong, Nanyang Plaza, continued to improve. Of the 290,000 sq.ft. of industrial/office space we hold, 92.7% is leased. The building should continue to provide us with steady rental income.

Shanghai

The renovation work implemented by the new management team since beginning of 2012, at Shanghai Sung Nan Textile Co. Ltd. ("Sung Nan"), the joint venture of which the Group owns 65%, converting the factory site to offices for rental, has been completed. Renovation costs totalled approximately RMB57 million. Presently, the total leasable area of 28,159 sq.m. is fully leased to third parties. The previous main factory building, of 21,202 sq.m., has been leased to a Taiwan listed company in the restaurant and wedding banquet business. Towards the last quarter of 2013, Sung Nan has started to become profitable.

With reference to the Announcement made on 24th January 2014, an agreement has been reached with a buyer to sell the entire registered capital of the PRC company (33% owned by the Group) holding the commercial building in Jingan District, Shanghai. The disposal is conditional upon various conditions including the issuance of relevant approval letters, the grant of a new business licence and the completion of relevant registration requirements and tax filings in the PRC. Submissions to the various government departments for approvals are progressing. Completion is expected to take place on or before 31st August 2014 when all the conditions are satisfied.

BUSINESS REVIEW AND PROSPECTS *(cont'd)*

Real Estate *(cont'd)*

Shenzhen

Operating results at the Group's 45% joint venture in Shenzhen, Southern Textile Company Limited ("Southern"), continued to be satisfactory. Southern received approval for the extension of its land use right for the factory building and two floors at another premises for another 20 years to 2033. The business licence and the joint venture agreement have also been extended accordingly to 2034. Presently, of the total leasable area of 18,300 sq.m., almost 100% is leased.

Financial Investments

In the second half of 2013, world equity markets continued to perform favourably. During this period, we increased equities in Europe and Japan and reduced holdings in emerging market equities and bonds. For the year ended 31st December 2013, the investment portfolios showed a gain of 10.9%. At year end equities comprised 62.5% (of which 36% was in US equities), bonds 17.4%, alternative investments 2.6%, commodities 6% and cash 11.5%. The market value of the portfolios stood at US$37.1 million or approximately HK$287.9 million.

Since the beginning of 2014, global financial markets have experienced modest volatility and trended downward due to tapering of asset purchases in the United States and heightened political tensions in some emerging markets. As at 14th March 2014, the latest practicable date, the portfolios were down slightly by 0.1% and the value stood at US$35.8 million or approximately HK$278 million. Equities comprised 60.6% (of which 35.5% was in US equities), bonds 17.6%, alternative investments 2.8%, commodities 5.6% and cash 13.4%.

We expect the low interest rate environment to continue to benefit the performance of the equities in our portfolios. However, the crisis in the Crimea peninsula creates uncertainty and may dampen the sentiment for investing. We shall look for opportunities to increase the equities in the United States, Europe and China when there are further adjustments.

The Group's investment in The Shanghai Commercial & Savings Bank, Ltd. ("SCSB") in Taiwan, amounting to approximately 4% of the total issued share capital, continued to perform satisfactorily. It has been classified under non-current assets as an available-for-sale financial asset, as there is no intention to dispose of it within 12 months of the annual report date. In 2013, the Group received a dividend of approximately HK$46.0 million, net of 20% withholding tax.

SCSB is approaching its 100th year since being established, in Shanghai, in 1915. In March 2013, SCSB was rated by Global Banking & Finance Review as the Best Commercial Bank in Taiwan. Then, in April 2013, it was rated by The Asian Banker as the Best Managed Bank in Taiwan. In 2014, Global Banking & Finance Review further rated SCSB as the Best Trade Finance Bank in Taiwan. Todate, SCSB has 69 branches including one in Hong Kong, one in Vietnam and representative offices in Bangkok, Thailand and in Cambodia. This year, they plan to open a branch in Singapore. The unaudited net income of SCSB for the nine months ended 30th September 2013 was approximately NT$7,109.3 million (2012 same period: net income of approximately NT$6,829.3 million), representing an increase of 4.1%. Total shareholders equity at 30th September 2013 was approximately NT$94,244.0 million (30/9/12: approximately NT$90,174.4 million), an increase of 4.5%. (These figures were extracted from the SCSB's website at http://www.scsb.com.tw)

FINANCIAL POSITION

The Group's investment properties with a value of HK$1,633 million (31/12/2012: HK$1,603 million) have been mortgaged to a bank to secure general banking facilities of which HK$53 million was utilised as at 31st December 2013 (31/12/2012: HK$80 million). At the end of the year, the Group had net current assets of HK$229.8 million (31/12/2012: HK$168.8 million).

EMPLOYEES

The Group employed 15 employees as at 31st December 2013. 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 2013, in compliance with the code provisions of the Corporate Governance Code and Corporate Governance Report 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 standard set out in the Model Code throughout the year ended 31st December 2013.

AUDIT COMMITTEE AND REVIEW OF RESULTS

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 2013 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 2013 Final Results Announcement.

By Order of the Board
John Barr
Company Secretary

Hong Kong, 20th March 2014

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

Executive Directors:
Hung Ching Yung, JP *(Managing Director)*
Lincoln C. K. Yung, JP, FHKIB
(Deputy Managing Director)
Jennie Chen *(Financial Controller)*

Non-Executive Director:
John Con-sing Yung

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