NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Reference is made to (i) the 2017 Final Results Announcement of Nanyang Holdings Limited (the "Company") dated 29 March 2018 (the "**Results Announcement**") in relation to the consolidated annual results of the Company and its subsidiaries (together as the "**Group**") for the year ended 31 December 2017, and (ii) the 2017 Annual Report of the Group for the year ended 31 December 2017 (the "**Annual Report**"). Unless otherwise stated, terms used herein shall bear the same meanings as defined in the Annual Report.

As at 31 December 2017, as disclosed in the audited consolidated financial statements of the Annual Report under the section:

1. "Available-for-sale financial assets", in note 18, totaling HK$1,434 million, which is approximately 33% of the total assets of the Group. Approximately HK$1,423 million or 99.2%, represents the Group's holding in The Shanghai Commercial & Savings Bank Ltd. ("SCSB"), a licensed bank incorporated in Taiwan. The Group's investment is approximately 4.1% of the total issued share capital of SCSB. It is 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. The investment is stated at fair value and, in 2017, its value increased by HK$376 million, almost 36% from 2016 year end. During the year, the Group received a net cash dividend of approximately HK$50.6 million. The Board continues to view this as a sound and long term investment.

2. Financial assets at fair value through profit or loss of HK$301 million, in note 20, represents approximately 6.9% of the total assets of the Group. This comprises over 400 individual holdings and for the year ended 31 December 2017, the Group recorded net realised and unrealised fair value gains of HK$47.7 million and investment income of HK$4.1 million. The total investment portfolios including cash held by the portfolios increased by 15.3% from 2016 year end. As at 31 December 2017, equities comprised approximately 77.8% (of which U.S. 36%; European 28.2%; Japanese 8.5%; Asia ex-Japan 16.8% and Emerging Markets 10.5%), bonds 22.2% (of which U.S. 42%; European 13%; Emerging Markets 38.5% and others 6.5%).

   It is expected that the world major economies should continue their steady growth and should offer satisfactory returns. However, the threat of higher interest rates and protectionist policies taken by the U.S. administration will result in higher volatility in the financial markets. We would, therefore, continue to add to our positions when there is a pullback.

Save as disclosed in this Announcement, the above supplemental information does not affect other information contained in the Results Announcement and the Annual Report.

By Order of the Board
Lee Sheung Yee
Company Secretary

Hong Kong, 12 June 2018

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)*
Robert T. T. Sze
Wong Chi Kwong Patrick