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## **NANYANG HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 212)**

### **2023 INTERIM RESULTS ANNOUNCEMENT**

<b>GROUP FINANCIAL HIGHLIGHTS</b>	<b>Unaudited</b>		<b>Variance</b>
	<b>Six months ended 30 June</b>		
	<b>2023</b>	2022	
	HK\$'000	HK\$'000	
Revenue and other income/(losses)	<b><u>142,565</u></b>	<u>55,552</u>	157%
Profit/(loss) attributable to equity holders of the Company	<b>125,809</b>	(10,314)	1,320%
Profit attributable to equity holders of the Company after excluding:			
– changes in fair value of investment properties and related tax effects	<u><b>(28,703)</b></u>	<u>21,819</u>	(232%)
	<b><u>97,106</u></b>	<u>11,505</u>	744%
Earnings/(loss) per share	<b>HK\$3.70</b>	HK\$(0.30)	1,333%
Earnings per share			
– after excluding the changes in fair value of investment properties and related tax effects	<b>HK\$2.86</b>	HK\$0.34	741%

The Board of Directors of Nanyang Holdings Limited (“the Company”) announces that the unaudited Group results for the six months ended 30 June 2023 reported a profit attributable to equity holders of HK\$125.8 million (2022: loss of HK\$10.3 million). The current period’s profit comprised the dividend receivable from The Shanghai Commercial & Savings Bank, Ltd., in respect of its 2022 earnings of approximately HK\$67.2 million (after netting 21% withholding tax); and the investment income from financial assets of HK\$2.3 million and net realised and unrealised gains from financial assets at fair value through profit or loss of approximately HK\$20.5 million. It also includes the change in fair value of investment properties (including those owned by joint ventures) which resulted in a net gain of HK\$28.7 million (2022: loss of HK\$21.8 million). However, if excluding the net effect of the change in fair value of the investment properties (including those owned by joint ventures), 2023 would have shown a profit attributable to equity holders of HK\$97.1 million (2022: HK\$11.5 million). Earnings per share were HK\$3.70 (2022: loss of HK\$0.30). However, if the net effect of the change in fair value of the investment properties had been excluded, earnings per share would have been HK\$2.86 (2022: HK\$0.34). During this period, total comprehensive income increased by HK\$165.8 million.

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
Revenue	2	<b>122,062</b>	125,023
Other income/(losses)	2	<b>20,503</b>	(69,471)
Revenue and other income/(losses)	2	<b>142,565</b>	55,552
Direct costs		<b>(10,150)</b>	(8,650)
Gross profit		<b>132,415</b>	46,902
Administrative expenses		<b>(18,692)</b>	(18,520)
Other operating expenses, net		<b>(403)</b>	(648)
Changes in fair value of investment properties		<b>31,000</b>	(16,159)
Operating profit	3	<b>144,320</b>	11,575
Finance income	4	<b>338</b>	164
Finance expense	4	<b>(89)</b>	(101)
Share of profit/(losses) of joint ventures		<b>678</b>	(1,986)
Profit before income tax		<b>145,247</b>	9,652
Income tax expense	5	<b>(19,438)</b>	(19,966)
Profit/(loss) attributable to equity holders of the Company		<b>125,809</b>	(10,314)
Earnings/(loss) per share (basic and diluted)	6	<b>HK\$3.70</b>	HK\$(0.30)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>Profit/(loss) for the period</b>	<b>125,809</b>	<b>(10,314)</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	5,352	13,409
Items that may not be reclassified subsequently to profit or loss		
Fair value gains on financial assets at fair value through other comprehensive income	34,619	103,600
<b>Other comprehensive income for the period, net of tax</b>	<b>39,971</b>	<b>117,009</b>
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<b>165,780</b>	<b>106,695</b>

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2023

	Note	30 June 2023 HK\$'000	31 December 2022 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		138	161
Right-of-use assets		5,681	7,429
Investment properties		2,525,000	2,494,000
Investments in joint ventures	10	84,048	87,171
Financial assets at fair value through other comprehensive income		2,148,806	2,106,344
Non-current financial assets at fair value through profit or loss		9,698	10,008
		<u>4,773,371</u>	<u>4,705,113</u>
<b>Current assets</b>			
Trade and other receivables	8	95,620	10,138
Financial assets at fair value through profit or loss		383,559	342,451
Cash and bank balances			
– Pledged bank deposits		4,703	3,671
– Cash and cash equivalents		49,932	96,963
		<u>533,814</u>	<u>453,223</u>
<b>Total assets</b>		<u><b>5,307,185</b></u>	<u><b>5,158,336</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		3,397	3,397
Other reserves		1,685,794	1,645,823
Retained profits		3,507,879	3,416,038
<b>Total equity</b>		<u><b>5,197,070</b></u>	<u><b>5,065,258</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		2,226	3,981
Deferred income tax liabilities		28,172	27,894
Other non-current liability		1,497	1,493
		<u>31,895</u>	<u>33,368</u>
<b>Current liabilities</b>			
Trade and other payables	9	54,106	54,049
Current income tax liabilities		20,627	2,220
Lease liabilities		3,487	3,441
		<u>78,220</u>	<u>59,710</u>
<b>Total liabilities</b>		<u><b>110,115</b></u>	<u><b>93,078</b></u>
<b>Total equity and liabilities</b>		<u><b>5,307,185</b></u>	<u><b>5,158,336</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### a. Basis of preparation

This Interim Financial Information for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This Interim Financial Information should be read in conjunction with the 2022 annual financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### b. Accounting policies

The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the 2022 annual financial statements, except for the adoption of the new standard and amendments to standards effective for the year ending 31 December 2023.

#### (i) *New standard and amendments to standards effective in current accounting period*

During the period ended 30 June 2023, the Group has adopted the following new standard and amendments to standards which are mandatory for accounting periods beginning on 1 January 2023:

HKFRS 17 and amendments to HKFRS 17	Insurance Contracts
Amendments to HKFRS 17	Initial application of HKFRS 17 and HKFRS 9 – Comparative Information
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

### b. Accounting policies *(Continued)*

(ii) *Amendments to standards and interpretation that are not yet effective and have not been early adopted by the Group*

The following amendments to standards and interpretation have been published which are mandatory for the Group's accounting periods beginning on or after 1 January 2024 or in later periods but have not been early adopted by the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>(1)</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>(1)</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>(1)</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>(1)</sup>
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>(1)</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(2)</sup>

<sup>(1)</sup> Effective for accounting periods beginning on or after 1 January 2024

<sup>(2)</sup> Effective date is to be determined

The Group has already commenced an assessment of the impact of the above amendments to standards and interpretation and does not expect that they would have any significant impact to its results of operations and financial position.

## 2 REVENUE AND OTHER INCOME/(LOSSES) AND SEGMENT INFORMATION

Revenue mainly comprises rental income, investment income from financial assets at fair value through profit or loss and dividend income from financial assets at fair value through other comprehensive income. Other income/(losses) represents net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss. Revenue and other income/(losses) recognised during the period comprises the following:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Revenue		
Gross rental income from investment properties	<b>29,300</b>	34,660
Investment income from financial assets at fair value through profit or loss	<b>2,293</b>	1,133
Dividend income from financial assets at fair value through other comprehensive income	<b>85,319</b>	83,198
Management fee income from investment properties	<b>4,978</b>	5,624
Other	<b>172</b>	408
	<b>122,062</b>	125,023
Other income/(losses)		
Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss	<b>20,503</b>	(69,471)
Revenue and other income/(losses)	<b>142,565</b>	55,552

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 six months ended 30 June 2023 are as follows:

	<b>Real estate</b>	<b>Financial</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>investments</b>	<b>HK\$'000</b>
		<b>HK\$'000</b>	
Revenue and other income/(losses)	<b>34,691</b>	<b>107,874</b>	<b>142,565</b>
Segment result	<b>40,073</b>	<b>104,247</b>	<b>144,320</b>
Finance income			<b>338</b>
Finance expense			<b>(89)</b>
Share of profit of joint ventures	<b>678</b>	-	<b>678</b>
Profit before income tax			<b>145,247</b>
Income tax expense			<b>(19,438)</b>
Profit attributable to equity holders of the Company			<b>125,809</b>
Other items			
Depreciation of right-of-use assets	-	-	<b>(1,748)</b>
Depreciation of property, plant and equipment	<b>(11)</b>	<b>(12)</b>	<b>(23)</b>
Net fair value gain on investment properties	<b>31,000</b>	-	<b>31,000</b>

## 2 REVENUE AND OTHER INCOME/(LOSSES) AND SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2022 are as follows:

	Real estate HK\$'000	Financial investments HK\$'000	Total HK\$'000
Revenue and other (losses)/income	40,284	15,268	55,552
Segment result	34	11,541	11,575
Finance income			164
Finance expense			(101)
Share of losses of joint ventures	(1,986)	–	(1,986)
Profit before income tax			9,652
Income tax expense			(19,966)
Loss attributable to equity holders of the Company			(10,314)
Other items			
Depreciation of right-of-use assets	–	–	(1,930)
Depreciation of property, plant and equipment	(11)	(11)	(22)
Net fair value losses on investment properties	(16,159)	–	(16,159)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities below. Segment assets exclude investments in joint ventures and right-of-use assets and segment liabilities exclude deferred income tax liabilities, lease liabilities and other non-current liability which are managed on a central basis.

The segment assets and liabilities as at 30 June 2023 are as follows:

	<b>Real estate HK\$'000</b>	<b>Financial investments HK\$'000</b>	<b>Total HK\$'000</b>
Segment assets	<b>2,533,262</b>	<b>2,684,194</b>	<b>5,217,456</b>
Right-of-use assets			<b>5,681</b>
Investments in joint ventures	<b>84,048</b>	–	<b>84,048</b>
			<b>5,307,185</b>
Segment liabilities	<b>50,448</b>	<b>24,285</b>	<b>74,733</b>
Unallocated liabilities			<b>35,382</b>
			<b>110,115</b>

## 2 REVENUE AND OTHER INCOME/(LOSSES) AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31 December 2022 are as follows:

	Real estate HK\$'000	Financial investments HK\$'000	Total HK\$'000
Segment assets	2,502,356	2,561,380	5,063,736
Right-of-use assets			7,429
Investments in joint ventures	87,171	–	87,171
			<u>5,158,336</u>
Segment liabilities	51,026	5,243	56,269
Unallocated liabilities			36,809
			<u>93,078</u>

The Company is incorporated in Bermuda and is domiciled in Hong Kong. The Group's revenue and other income/(losses) from Hong Kong and from other countries for the period ended 30 June is analysed as follows:

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Hong Kong	33,401	32,502
United States of America	12,182	(23,975)
Europe	10,944	(28,793)
Taiwan	85,078	83,198
Other countries	960	(7,380)
	<u>142,565</u>	<u>55,552</u>

At 30 June 2023, the total of non-current assets other than financial instruments located/operated in Hong Kong and in Mainland China are as follows:

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Hong Kong	2,530,750	2,501,510
Mainland China	84,117	87,251
	<u>2,614,867</u>	<u>2,588,761</u>

### 3 OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	23	22
Depreciation of right-of-use assets	1,748	1,930
Employee benefit expense (including directors' emoluments)	13,003	11,873
Management fee expense in respect of investment properties	6,508	5,934
	<u>6,508</u>	<u>5,934</u>

### 4 FINANCE INCOME/(EXPENSE)

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>Finance income</b>		
Bank interest income	338	164
	<u>338</u>	<u>164</u>
<b>Finance expense</b>		
Interest expense on lease liabilities and other non-current liability	(89)	(101)
	<u>(89)</u>	<u>(101)</u>

### 5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at 16.5% (2022: 16.5%) of the estimated assessable profits for the period. 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 investees operate.

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	1,294	1,815
– Withholding tax	17,866	17,472
Deferred income tax	278	679
	<u>19,438</u>	<u>19,966</u>

## 6 EARNINGS/(LOSS) PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
<b>Earnings/(loss) (HK\$'000)</b>		
Profit/(loss) attributable to equity holders of the Company	<b>125,809</b>	(10,314)
<b>Number of shares (thousands)</b>		
Weighted average number of ordinary shares in issue	<b>33,968</b>	33,968
<b>Earnings/(loss) per share (HK\$)</b>		
Basic and diluted ( <i>Note</i> )	<b>3.70</b>	(0.30)

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

## 7 DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
2022 final dividend paid of HK\$0.70 (2022: 2021 final dividend paid of HK\$0.70) per share	<b>23,778</b>	23,778
2022 special dividend paid of HK\$0.30 (2022: 2021 special dividend paid of HK\$0.70) per share	<b>10,190</b>	23,777
	<b>33,968</b>	47,555

The Directors have not declared an interim dividend for the six months ended 30 June 2023 (2022: Nil).

## 8 TRADE AND OTHER RECEIVABLES

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
Trade receivables	7	163
Other receivables, prepayments and deposits	<b>9,278</b>	8,611
Dividend receivables	<b>85,077</b>	–
Amounts due from joint ventures	<b>1,258</b>	1,364
	<u><b>95,620</b></u>	<u>10,138</u>

The Group does not grant any credit period to its customers. At 30 June 2023, the aging analysis of the trade receivables is as follows:

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
Within 30 days	<u>7</u>	<u>163</u>

## 9 TRADE AND OTHER PAYABLES

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
Trade payables	<b>2,565</b>	2,341
Rental and management fee deposits	<b>19,858</b>	19,271
Other payables and accruals	<b>31,683</b>	32,437
	<u><b>54,106</b></u>	<u>54,049</u>

At 30 June 2023, the aging analysis of trade payables is as follows:

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
Within 30 days	<u><b>2,565</b></u>	<u>2,341</u>

## 10 INVESTMENTS IN JOINT VENTURES

In respect of a joint venture of the Group, Shanghai Sung Nan Textile Co., Ltd., its joint venture term and land use right expired on 31 May 2022 despite its business licence is valid up to 31 May 2042. The Group accounted for its share of result of this joint venture up to 31 May 2022.

## **INTERIM DIVIDEND**

The Directors have not declared an interim dividend for the six months ended 30 June 2023 (2022: Nil).

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company during the period.

## **BUSINESS REVIEW AND PROSPECTS**

### **Real Estate**

#### *Hong Kong*

The local property market continued to be challenging despite the uplifting of all measures taken to control the pandemic. Leasing activities at our industrial/office (I/O) building, Nanyang Plaza, in Kwun Tong, was affected by the sluggish economy and ample supply in the Kwun Tong area. This created fierce competition for the few tenants looking for space. In order to retain existing tenants, we reduced rentals at renewals and offered favourable leasing terms and rental levels to attract new tenants. Of the 290,000 sq.ft. of I/O space the Group holds, approximately 80% is presently leased.

#### *Shanghai*

Sung Nan's business licence was extended to 31 May 2042 although its land use right and joint venture term expired on 31 May 2022. We are discussing with our Chinese Partner the continuation of the joint-venture at the same site. However, it is necessary to resolve the land issue first.

#### *Shenzhen*

Earnings reported by Southern Textile Company Limited, of which the Group owns 45%, continued to be satisfactory. The total floor area of approximately 18,400 sq.ft. was fully leased to third parties. Despite the reopening of China at the beginning of 2023, the economy remained sluggish. Business of the retail tenants continued to be slow.

## **BUSINESS REVIEW AND PROSPECTS** *(Continued)*

### **Financial Investments**

Growth in the global economy, in the first half of 2023, was uneven. China's reopening at the start of the year lifted sentiments hoping for better prospects for its local economy and globally. However, the weaker data reported recently showed that the recovery may be slower than expected. Elsewhere, markets in the United States, Japan and Europe performed well as interest rates looked peaking and inflation seems stabilizing or in some cases falling. During this period, we increased investments in investment grade bonds. For the six months ended 30 June 2023, the investment portfolios, including cash held in the portfolios, increased by approximately 5.8%. Financial assets at fair value through profit or loss, classified as current assets, totalled HK\$383.6 million. This represented approximately 7.2% of the total assets of the Group. They were well diversified and comprised approximately 400 individual holdings. The Group recorded net realised and unrealised fair value gains of HK\$20.5 million and investment income of HK\$2.3 million. Equities comprised approximately 71.3% (of which U.S. 49.5%; European 18.2%; Japanese 3.1%; Asia ex-Japan and others 15.3% and Emerging Markets 13.9%), bonds 22% (of which U.S. 85%; European 7.3%; Emerging Markets and others 7.7%), commodities 3.5% and cash 3.2%.

For the rest of the year, while the economic outlook is uncertain, we are hopeful the interest rate cycle in the United States and Europe may be coming to an end. Recent measures taken by the authorities in China to increase growth and to stabilise the property market and other sectors may provide support. As at 14 August 2023, the latest practicable date, the portfolios increased year-to-date by approximately 6.6% and the value including cash held in the portfolios, stood at approximately US\$51.0 million or HK\$399.3 million. We remain vigilant and will be on the lookout for any new investment opportunities as they arise.

## **BUSINESS REVIEW AND PROSPECTS** *(Continued)*

### **Financial Investments** *(Continued)*

The Group has an investment in a licensed bank incorporated in Taiwan, The Shanghai Commercial & Savings Bank, Ltd. (“SCSB”), the shares of which are listed on the Taiwan Stock Exchange Corporation (Stock Code: 5876). The Group holds a total of 190,585,095 SCSB shares representing approximately 4.0% of the issued share capital of SCSB. This investment of HK\$2,145.8 million has been classified under non-current assets as financial assets at fair value through other comprehensive income (representing approximately 40.4% of the total assets of the Group). There is no intention to dispose of the investment within 12 months of this report date. The Group received a net cash dividend of approximately HK\$67.2 million from SCSB’s 2022 earnings (2022: received approximately HK\$65.4 million from SCSB’s 2021 earnings).

Presently SCSB has 72 branches in Taiwan, one each in Hong Kong, Vietnam, Singapore and Wuxi, China. They also have four representative offices, in Jakarta, Indonesia, Bangkok, Thailand and Phnom Penh, Cambodia and Bac Ninh, Vietnam. SCSB’s redevelopment of its headquarters in Taipei which commenced in 2021, is expected to be completed and ready for occupation some time in 2024. SCSB holds a 57.6% interest in Shanghai Commercial Bank Limited (“SCB”) in Hong Kong. SCB has 44 branches in Hong Kong, three in China and four branches overseas. The audited net profit attributable to owners of SCSB for the period ended 30 June 2023 was approximately NT\$9,769.8 million (2022 same period: net profit of NT\$7,256.6 million). Total equity attributable to owners of SCSB at 30 June 2023 was approximately NT\$173,984.6 million (31/12/2022: approximately NT\$169,780.9 million). (These figures were extracted from SCSB’s website at <http://www.scsb.com.tw>.)

### **FINANCIAL POSITION**

The Group’s investment properties with an aggregate carrying value of HK\$2,351 million (31/12/2022: HK\$2,317 million) have been mortgaged to a bank to secure general banking facilities. As at 30 June 2023 and 31 December 2022, no bank facilities were utilized. Debt to equity ratio decreased from 0.15% as at 31 December 2022 to 0.11% as at 30 June 2023. Debt was represented by lease liabilities, equity was total equity of the Group. At the end of the period, the Group had net current assets of HK\$455.6 million (31/12/2022: HK\$393.5 million).

## **EMPLOYEES**

The Group employed 13 employees as at 30 June 2023 (2022: 12). 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 fund.

On behalf of the Board of Directors, I would like to take this opportunity to thank all the staff for their hard work and contribution to the Group.

## **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 six months ended 30 June 2023, in compliance with the code provisions of the Corporate Governance Code as set out in Appendix 14 of 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 as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, the Company's Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2023.

## **AUDIT COMMITTEE AND REVIEW OF RESULTS**

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the six months ended 30 June 2023 with the management. The unaudited interim financial statements of the Group for the six months ended 30 June 2023 have been reviewed by the Group's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT**

Please refer to the website of The Stock Exchange of Hong Kong Limited and the Company's website at <http://www.nanyangholdingslimited.com> for details of the 2023 Interim Results Announcement.

By Order of the Board

**Lee Sheung Yee**

*Company Secretary*

Hong Kong, 23 August 2023

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

*Executive Directors:*

Lincoln C.K. Yung, JP, FHKIB

*(Managing Director)*

Jennie Chen *(Assistant Managing Director  
and Financial Controller)*

*Independent Non-Executive Directors:*

Rudolf Bischof *(Chairman)*

Robert T.T. Sze

Wong Chi Kwong Patrick

Nicholas Timothy James Colfer

*Non-Executive Director:*

John Con-sing Yung