



NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

Interim Report 2009

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This document in both English and Chinese is now available in printed form and on the website of the Company at <http://www.nanyangholdingslimited.com>.

RESULTS HIGHLIGHT

	Unaudited	
	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Revenue	51,306	14,458
Profit attributable to equity holders of the Company	14,840	77,491
Profit/(loss) attributable to equity holders of the Company		
– before taking into account changes in fair value of investment properties and related tax effects	16,770	(10,509)
Earnings per share	HK\$0.35	HK\$1.79
Earnings/(loss) per share		
– before taking into account changes in fair value of investment properties and related tax effects	HK\$0.40	HK\$(0.24)

The Board of Directors of Nanyang Holdings Limited announces that the unaudited Group results for the six months ended 30th June 2009 showed a profit of HK\$14.8 million (2008: HK\$77.5 million). This is mainly due to recovery in financial investments. The Group values its investment properties at fair value and changes are 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 loss of HK\$2 million (2008: gain HK\$88 million) to the Group. Excluding the net effect from revaluing the investment properties at fair value, the half year would have shown a gain of HK\$16.8 million (2008: loss HK\$10.5 million). Earnings per share were HK\$0.35 (2008: HK\$1.79).

Business Review and Prospects

Textile Operations

As mentioned in the last annual report, Shanghai Sung Nan Textile Company Limited (“Sung Nan”), 65% owned by the Group, has been idle. Agreement had been reached with our PRC partner to commence liquidating Sung Nan’s assets. In 2009, further provision was made for impairment of construction-in-progress. Our share of the loss for the period was HK\$11.5 million.

The Group’s 45% joint venture in Shenzhen, Southern Textile Company Limited, continued to report a profit and contributed positively to the Group’s overall results. Its main asset, a factory building which is leased to third parties, has an occupancy rate of 99%.

Real Estate

In the first half of 2009, the uncertain economic conditions continued to affect the local office rental market. The large amount of new office space which came on stream in the Kwun Tong area adversely affected the rental levels and occupancy of our building. Of the 290,000 sq. ft. of industrial/office space the Group holds at Nanyang Plaza, presently 88.8% is leased. It is anticipated that the leasing market would remain challenging going forward.

Leasing activities of the commercial property (33% owned by the Group) in the Jingan District is satisfactory. It is presently 93.9% leased. With the supply of new office space coming on stream, competition for good tenants remained keen.

Financial Investments

The global securities markets declined sharply in the first quarter of 2009. However, in the second quarter, the markets made an unexpected V shape turnaround. We increased investments in commodities and added a modest amount of equities. For the six months ended 30th June 2009, the portfolios showed a positive return of 5.1%. As at that date, the market value of the portfolios stood at US\$28.0 million or approximately HK\$217.0 million.

As at 31st August 2009, our portfolio has recovered to the pre-crisis level of a year ago. The portfolios showed a positive return of 11.1%. The value of the investment accounts at 31st August 2009 stood at US\$29.5 million or approximately HK\$228.6 million. Equities comprise 43.0% (of which 26.0% in U.S. equities), 22.0% in bonds, 5.0% in alternative investments, 6.0% in commodities and 24.0% in cash. We are taking a more positive outlook in the second half as the financial markets have stabilized. More equity exposure will be added to the portfolios on future market corrections.

Financial Position

The Group's investment properties with a value of HK\$954.0 million (31/12/2008: HK\$954.0 million) have been used to secure general banking facilities of which HK\$10,200,000 (2008: HK\$9,000,000) is being utilised as a guarantee to a jointly controlled entity. As at 30th June 2009, we had no borrowings (31/12/2008: Nil). At the end of the period, the Group had net current assets of HK\$213.0 million (31/12/2008: HK\$195.8 million).

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.

Directors' Interests

As at 30th June 2009, the interests of the Directors and chief executive in the shares of the Company as recorded in the Register of Directors'/Chief Executives' Interests and Short Positions maintained under Section 352 of the Securities and Futures Ordinance (the "SFO") were as follows:

Name	Shares of HK\$0.10 each of the Company				% of issued share capital
	Personal interests	Family interests	Corporate interests	Total	
Yun Cheng Wang	1,691,294	1,956,152	–	3,647,446	8.68%
Hung Ching Yung	10,701,944	30,000	5,500,000 (Note)	16,231,944	38.62%
Lincoln C. K. Yung	2,240,000	10,000	–	2,250,000	5.35%
Rudolf Bischof	100,000	–	–	100,000	0.24%

Note : As stated below, Mr. Hung Ching Yung is taken to be interested in the same 5,500,000 shares owned by a substantial shareholder, Tankard Shipping Co. Inc., pursuant to the SFO.

During the period, the Company has not granted to any Directors, chief executive or their respective spouses or children under 18 years of age any rights to subscribe for shares of the Company.

At no time during the period was the Company or its subsidiaries a party to any arrangements to enable the Directors or chief executive or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders

As at 30th June 2009, the Register of Substantial Shareholders' Interests and Short Positions maintained under Section 336 of the SFO shows that the following party, other than the Directors as disclosed above, was interested in 5 per cent or more of the issued share capital of the Company:

	Number of shares	% of issued share capital
Tankard Shipping Co. Inc.	5,500,000 (Note)	13.09%

Note : Mr. Hung Ching Yung is taken to be interested in the same 5,500,000 shares owned by Tankard Shipping Co. Inc. pursuant to the SFO.

Employees

The Group employed 20 employees as at 30th June 2009. 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 six months ended 30th June 2009, 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 six months ended 30th June 2009.

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 unaudited interim accounts for the six months ended 30th June 2009 with the management.

**UNAUDITED CONDENSED CONSOLIDATED INCOME
STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2009**

		Six months ended 30th June	
	Note	2009 HK\$'000	2008 HK\$'000
Revenue	4	51,306	14,458
Direct costs		<u>(5,535)</u>	<u>(6,048)</u>
Gross profit		45,771	8,410
Administrative expenses		(17,700)	(18,916)
Other operating income		222	1,256
Other operating expenses		(1,477)	(1,733)
Changes in fair value of investment properties		<u>(100)</u>	<u>75,600</u>
Operating profit	5	26,716	64,617
Finance costs	6	–	(787)
Share of (loss)/profits of jointly controlled entities	7	<u>(10,600)</u>	<u>18,803</u>
Profit before income tax		16,116	82,633
Income tax expense	8	<u>(1,276)</u>	<u>(5,142)</u>
Profit attributable to equity holders of the Company		<u>14,840</u>	<u>77,491</u>
Earnings per share (basic and diluted)	9	<u>HK\$0.35</u>	<u>HK\$1.79</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE 2009**

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Profit for the period	14,840	77,491
Other comprehensive income:		
Fair value gains on available-for-sale financial assets	79,426	150,285
Currency translation differences	5	8,036
Other comprehensive income for the period	79,431	158,321
Total comprehensive income attributable to equity holders of the Company	<u>94,271</u>	<u>235,812</u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2009

	Note	30th June 2009 HK\$'000	31st December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	2,166	2,394
Investment properties	12	978,600	978,700
Jointly controlled entities		169,179	179,774
Available-for-sale financial assets		446,642	367,471
Derivative financial asset		517	–
Deferred income tax assets		106	106
		1,597,210	1,528,445
Current assets			
Trade and other receivables	13	7,389	7,147
Financial assets at fair value through profit or loss		159,972	155,218
Tax recoverable		641	1,336
Cash and cash equivalents		85,258	77,666
		253,260	241,367
Total assets		1,850,470	1,769,812
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	4,202	4,202
Reserves	15	1,674,971	1,589,105
Total equity		1,679,173	1,593,307
LIABILITIES			
Non-current liabilities			
Derivative financial liability		129	–
Deferred income tax liabilities		130,956	130,956
		131,085	130,956
Current liabilities			
Trade and other payables	16	39,631	45,549
Current income tax liabilities		581	–
		40,212	45,549
Total liabilities		171,297	176,505
Total equity and liabilities		1,850,470	1,769,812
Net current assets		213,048	195,818
Total assets less current liabilities		1,810,258	1,724,263

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE 2009**

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Total equity at 1st January	1,593,307	1,861,504
Total comprehensive income for the period	94,271	235,812
Dividends	(8,405)	(21,668)
Shares repurchased and cancelled	—	(2,303)
Total equity at 30th June	<u>1,679,173</u>	<u>2,073,345</u>

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Net cash generated from operating activities	5,250	57,793
Net cash generated from investing activities	10,747	9,942
Net cash used in financing activities	<u>(8,405)</u>	<u>(14,971)</u>
Net increase in cash and cash equivalents	7,592	52,764
Cash and cash equivalents at 1st January	<u>77,666</u>	<u>40,683</u>
Cash and cash equivalents at 30th June	<u>85,258</u>	<u>93,447</u>
Analysis of cash and cash equivalents		
Cash and bank balances	<u>85,258</u>	<u>93,447</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Nanyang Holdings Limited (“the Company”) is a limited liability company incorporated in Bermuda. The address of its office in Hong Kong is 1808 St George’s Building, 2 Ice House Street, Hong Kong.

The Company is listed on The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together “the Group”) engage in property investment, investment holding and trading, and textile trading.

This condensed consolidated interim financial information (“Interim Financial Information”) is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors on 9th September 2009.

2 Basis of preparation

This Interim Financial Information for the six months ended 30th June 2009 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 2008 annual financial statements.

3 Significant accounting policies

The significant accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the 2008 annual financial statements.

(a) *Standards, amendments and interpretations effective in current accounting period and are relevant to the Group’s operation*

During the period ended 30th June 2009, the Group has adopted the following new or revised standards and amendments to standard which are relevant to the Group’s operations and are mandatory for accounting periods beginning on 1st January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 16 (Amendment)	Property, Plant and Equipment
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKAS 31 (Amendment)	Interests in Joint Venture
HKAS 36 (Amendment)	Impairment of Assets
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement
HKAS 40 (Amendment)	Investment Property
HKFRS 7 (Amendment)	Financial instruments: Disclosure
HKFRS 8	Operating segments

Except for HKAS 1 (Revised) and HKFRS 8, which result in some presentation changes, 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.

3 Significant accounting policies (Continued)

(b) 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 and are mandatory for the Group's accounting periods beginning on or after 1st January 2009 or later periods but have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1st July 2009
HKAS 1 (Amendment)	Presentation of Financial Statements	1st January 2010
HKAS 7 (Amendment)	Cash Flow Statements	1st January 2010
HKAS 17 (Amendment)	Leases	1st January 2010
HKAS 36 (Amendment)	Impairment of Assets	1st January 2010
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1st January 2010
HKFRS 8 (Amendment)	Operating Segments	1st January 2010

The Group has not early adopted these revised standards, amendments to standards and interpretations. 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.

4 Revenue and segment information

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

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Gross rental income from investment properties	24,971	24,617
Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss	9,803	(33,011)
Dividend income from listed investments	783	1,430
Dividend income from unlisted investments	11,264	12,407
Interest income	448	1,378
Management fee income from investment properties	4,037	4,120
Commission income (Note 19(a))	–	3,517
	<u>51,306</u>	<u>14,458</u>

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.

4 Revenue and segment information (Continued)

The segment results for the six months ended 30th June 2009 are as follows:

	Textile HK\$'000	Property HK\$'000	Investments HK\$'000	Total HK\$'000
Total revenue	—	29,008	22,298	51,306
Operating profit	—	6,910	19,806	26,716
Share of losses of jointly controlled entities	(10,197)	(403)	—	(10,600)
Profit before income tax				16,116
Income tax expense				(1,276)
Profit for the period				<u>14,840</u>
Depreciation	—	(50)	(178)	(228)
Revaluation loss on investment properties	—	(100)	—	(100)

The segment results for the six months ended 30th June 2008 are as follows:

	Textile HK\$'000	Property HK\$'000	Investments HK\$'000	Total HK\$'000
Total revenue	3,517	28,737	(17,796)	14,458
Operating profit/(loss)	3,751	80,689	(19,823)	64,617
Share of profits/(losses) of jointly controlled entities	(4,476)	23,279	—	18,803
Finance cost				(787)
Profit before income tax				82,633
Income tax expense				(5,142)
Profit for the period				<u>77,491</u>
Capital expenditure	—	(13)	—	(13)
Depreciation	(178)	(48)	(11)	(237)
Revaluation gain on investment properties	—	75,600	—	75,600

4 Revenue and segment information (Continued)

The segment assets and liabilities as at 30th June 2009 are as follows:

	Textile HK\$'000	Property HK\$'000	Investments HK\$'000	Total HK\$'000
Segment assets	50,332	1,153,477	646,555	1,850,364
Total assets include:				
Jointly controlled entities	<u>50,332</u>	<u>118,847</u>	<u>–</u>	<u>169,179</u>
Segment liabilities	<u>295</u>	<u>38,541</u>	<u>1,505</u>	<u>40,341</u>

The segment assets and liabilities as at 31st December 2008 are as follows:

	Textile HK\$'000	Property HK\$'000	Investments HK\$'000	Total HK\$'000
Segment assets	62,971	1,145,503	561,232	1,769,706
Total assets include:				
Jointly controlled entities	<u>60,511</u>	<u>119,263</u>	<u>–</u>	<u>179,774</u>
Segment liabilities	<u>933</u>	<u>42,726</u>	<u>1,890</u>	<u>45,549</u>

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Total segment assets	1,850,364	1,769,706
Deferred income tax assets	<u>106</u>	<u>106</u>
Total assets	<u>1,850,470</u>	<u>1,769,812</u>
Total segment liabilities	40,341	45,549
Deferred income tax liabilities	<u>130,956</u>	<u>130,956</u>
Total liabilities	<u>171,297</u>	<u>176,505</u>

4 Revenue and segment information (Continued)

The Company is incorporated in Bermuda and is domiciled in Hong Kong. The results of the Group's revenue in Hong Kong for the six months ended 30th June and the total revenue from other countries is as follow:

	Revenue	
	Six months ended 30th June 2009 HK\$'000	2008 HK\$'000
Hong Kong	33,267	26,819
United States of America	2,629	(6,078)
Europe	192	(13,983)
Southeast Asia	3,390	(1,681)
Taiwan	11,264	12,125
Other countries	564	(2,744)
	<u>51,306</u>	<u>14,458</u>

At 30th June 2009, the total of non-current assets other than financial instruments and deferred income tax assets located in Hong Kong and in other places are as follow:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
	Hong Kong	979,402
Mainland China	170,543	181,222
	<u>1,149,945</u>	<u>1,160,868</u>

5 Operating profit

Operating profit is stated after charging the following:

	Six months ended 30th June	
	2009 HK\$'000	2008 HK\$'000
Depreciation	228	237
Employee benefit expense	12,888	13,255
Fair value loss on derivative instruments	384	–
Management fee expense in respect of investment properties	4,158	4,158
Operating leases – land and building	1,433	1,399
	<u>1,433</u>	<u>1,399</u>

6 Finance costs

	Six months ended 30th June	
	2009 HK\$'000	2008 HK\$'000
Interest expenses on short-term bank loans	–	787
	<u>–</u>	<u>787</u>

7 Share of (loss)/profits of jointly controlled entities

The Group's share of (loss)/profits of jointly controlled entities for the period comprises the following:

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Fair value (loss)/gain on investment properties, net of tax	(1,830)	24,610
Other operating results	<u>(8,770)</u>	<u>(5,807)</u>
Total	<u><u>(10,600)</u></u>	<u><u>18,803</u></u>

Note: In September 2008, one of the jointly controlled entities, Shanghai Sung Nan Textile Company Limited ("Sung Nan") ceased production. Sung Nan is now in the process of liquidating its assets.

8 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	1,276	995
Deferred income tax		
– Recognition of temporary differences	–	12,211
– Change in profits tax rate	–	<u>(8,064)</u>
	<u><u>1,276</u></u>	<u><u>5,142</u></u>

The share of profits of jointly controlled entities in the income statement includes the share of income tax attributable to jointly controlled entities for the six months ended 30th June 2009 of HK\$303,000 (2008: HK\$8,282,000).

9 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 period.

	Six months ended 30th June	
	2009	2008
Profit attributable to equity holders of the Company (HK\$'000)	<u><u>14,840</u></u>	<u><u>77,491</u></u>
Weighted average number of ordinary shares in issue (thousands)	<u><u>42,025</u></u>	<u><u>43,363</u></u>
Basic earnings per share (HK\$)	<u><u>0.35</u></u>	<u><u>1.79</u></u>

The Company has no dilutive potential ordinary shares.

10 Dividends

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
2008 final dividend paid of HK\$0.20 (2008: 2007 final dividend paid of HK\$0.40) per share	8,405	17,334
2007 special dividend paid of HK\$0.10 per share	—	4,334
Total	<u>8,405</u>	<u>21,668</u>

The Directors have not declared an interim dividend for the six months ended 30th June 2009 (2008: Nil).

11 Property, plant and equipment

	30th June	31st December
	2009	2008
	HK\$'000	HK\$'000
Property, plant and equipment	<u>2,166</u>	<u>2,394</u>

Movement during the period is set out below:

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Net book amount as at 1st January	2,394	2,809
Additions	—	13
Depreciation	(228)	(237)
Net book amount as at 30th June	<u>2,166</u>	<u>2,585</u>

12 Investment properties

	30th June	31st December
	2009	2008
	HK\$'000	HK\$'000
Investment properties	<u>978,600</u>	<u>978,700</u>

Movement during the period is set out below:

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Net book amount as at 1st January	978,700	998,400
Fair value changes	(100)	75,600
Net book amount as at 30th June	<u>978,600</u>	<u>1,074,000</u>

The Group's investment properties with an aggregate carrying value of HK\$954,000,000 (31st December 2008: HK\$954,000,000) have been mortgaged to a bank to secure general banking facilities (Note 18) as at 30th June 2009.

13 Trade and other receivables

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Trade receivables	451	481
Other receivables	<u>6,938</u>	<u>6,666</u>
	<u>7,389</u>	<u>7,147</u>

The Group does not grant any credit period to its customers.

At 30th June 2009, the aging analysis of trade receivables is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within 30 days	<u>451</u>	<u>481</u>

14 Share capital

	Number of shares	Amount HK\$'000
Authorised:		
Shares of HK\$0.10 each		
At 1st January 2008 and 30th June 2009	<u>60,000,000</u>	<u>6,000</u>
Issued and fully paid:		
Shares of HK\$0.10 each		
At 1st January 2008	43,464,299	4,346
Repurchase of own shares	<u>(127,500)</u>	<u>(13)</u>
At 30th June 2008	43,336,799	4,333
Repurchase of own shares	<u>(1,311,500)</u>	<u>(131)</u>
At 31st December 2008 and 30th June 2009	<u>42,025,299</u>	<u>4,202</u>

During the year ended 31st December 2008, the Company repurchased a total of 1,439,000 of its own shares through purchases on The Stock Exchange of Hong Kong Limited, all of which were then cancelled. The aggregate price of HK\$14,546,000 paid was charged against retained profits and the nominal value of the shares repurchased of HK\$144,000 was transferred to the capital redemption reserve.

15 Reserves

	Contributed surplus HK\$'000	Available-for-sale investments reserve HK\$'000	Capital reserve on consolidation HK\$'000	General reserve HK\$'000	Statutory reserves HK\$'000	Translation reserve HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2009	2,459	220,933	1,000	76,000	12,924	14,738	798	1,260,253	1,589,105
Fair value gains on available-for-sale investments	-	79,426	-	-	-	-	-	-	79,426
Currency translation differences	-	-	-	-	-	5	-	-	5
Profit for the period	-	-	-	-	-	-	-	14,840	14,840
Transfer to statutory reserves of jointly controlled entities	-	-	-	-	175	-	-	(175)	-
2008 final dividend	-	-	-	-	-	-	-	(8,405)	(8,405)
At 30th June 2009	2,459	300,359	1,000	76,000	13,099	14,743	798	1,266,513	1,674,971
At 1st January 2008	6,793	341,243	1,000	76,000	12,636	11,328	654	1,407,504	1,857,158
Fair value gains on available-for-sale investments	-	150,285	-	-	-	-	-	-	150,285
Currency translation differences	-	-	-	-	-	8,036	-	-	8,036
Profit for the period	-	-	-	-	-	-	-	77,491	77,491
Share repurchased and cancelled	-	-	-	-	-	-	13	(2,303)	(2,290)
Transfer to statutory reserves of jointly controlled entities	-	-	-	-	152	-	-	(152)	-
2007 final dividend	-	-	-	-	-	-	-	(17,334)	(17,334)
2007 special dividend	-	-	-	-	-	-	-	(4,334)	(4,334)
At 30th June 2008	6,793	491,528	1,000	76,000	12,788	19,364	667	1,460,872	2,069,012

16 Trade and other payables

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Trade payables	2,159	1,996
Other payables	<u>37,472</u>	<u>43,553</u>
	<u>39,631</u>	<u>45,549</u>

At 30th June 2009, the aging analysis of trade payables is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within 30 days	1,819	1,656
31 – 60 days	<u>340</u>	<u>340</u>
	<u>2,159</u>	<u>1,996</u>

17 Capital commitments

At 30th June 2009, the Group had no material capital commitment (31st December 2008: HK\$ Nil).

The Group's share of capital commitments of a jointly controlled entity as at 30th June 2009 is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Contracted but not provided for	17,920	21,716
Authorised but not contracted for	<u>1,858</u>	<u>3,934</u>
	<u>19,778</u>	<u>25,650</u>

The capital commitment is related to a construction project in progress conducted by one of the jointly controlled entities. The jointly controlled entity has ceased production and suspended the construction project. However, the management has not yet cancelled the authorised commitment as at 30th June 2009. The respective commitment of the project is shown above.

18 Banking facilities

As at 30 June 2009, the Group has general banking facilities of which HK\$10,200,000 (2008: HK\$9,000,000) was being utilised as a guarantee to a jointly controlled entity.

19 Related party transactions

(a) Sales of services

During the period ended 30th June 2008, agency commission income of HK\$3,517,000 was received by a subsidiary from a jointly controlled entity for handling sales of textile products for the jointly controlled entity. These transactions were entered into in the normal course of business of the Group and the commission income was calculated at certain fixed percentages of the value of sales handled by the subsidiary. No such transaction is noted in current period (Note 7).

(b) Key management compensation

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Salaries and other employee benefits	10,412	10,532
Post-employment benefits	129	129
	<u>10,541</u>	<u>10,661</u>

(c) Related party balances

	30th June	31st December
	2009	2008
	HK\$'000	HK\$'000
Amount due from jointly controlled entities	274	274
Amount due to a jointly controlled entity	<u>75</u>	<u>762</u>

On behalf of the Board

Rudolf Bischof

Chairman

Hong Kong, 9th September 2009

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