



NANYANG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 212)

Interim Report 2012

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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 HIGHLIGHTS

	Unaudited	
	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
		(Restated)
Revenue	91,617	112,992
Profit attributable to equity holders of the Company	105,866	162,754
Profit attributable to equity holders of the Company – before taking into account changes in fair value of investment properties and related tax effects	50,205	72,407
Earnings per share	HK\$2.56	HK\$3.93
Earnings per share – before taking into account changes in fair value of investment properties and related tax effects	HK\$1.22	HK\$1.75

The Board of Directors of Nanyang Holdings Limited announces that the unaudited Group results for the six months ended 30th June 2012 showed a profit after taxation of HK\$105.9 million (2011: profit of HK\$162.8 million restated). This profit includes dividend income from The Shanghai Commercial & Savings Bank, Ltd. of approximately HK\$41.7 million, gains from the Group's investment portfolios of approximately HK\$6.9 million and the change in fair value of investment properties (including that owned by a jointly controlled entity) which resulted in a net gain of HK\$55.7 million (2011: HK\$90.4 million restated) to the Group. Excluding the net effect of revaluing the investment properties at fair value, the half year would have shown a profit after tax of HK\$50.2 million (2011: profit of HK\$72.4 million restated). Earnings per share were HK\$2.56 (2011: HK\$3.93 restated).

Business Review and Prospects

Real Estate

Shanghai

Pursuant to the agreement reached with our PRC partner last September, to lease out the existing factory to third parties for the balance of the joint venture term, of less than 10 years, the industrial site of Shanghai Sung Nan Textile Co., Ltd. ("Sung Nan"), the Group's 65% joint venture, has undergone renovation converting it to offices for rental. The renovation work is progressing on schedule and Sung Nan's management has commenced marketing the space.

Rental activities in Shanghai are affected by deteriorating economic conditions. Of the total leasable area of 23,500 sq.m., at the commercial building in Jingan District, owned by Changyu (Shanghai) Real Estate Management Co. Ltd., which is 33% owned by the Group, presently 90.5% is leased.

Shenzhen

Southern Textile Company Limited ("Southern"), the Group's 45% joint venture, continued to have satisfactory results. The current joint venture agreement and land use right of its main asset, a factory building wholly leased to third parties, are due to expire at the beginning of 2013. Southern's management is applying to the government for an extension of the existing land lease. Presently, occupancy at the building is 99%.

Hong Kong

Local business sentiment has been affected by the unfavourable market conditions. Take up rates and rentals of grade 'A' offices continue to decline as international corporations are cautious with expansion plans. Our building is also competing with new office buildings coming on stream in the vicinity. Of the 290,000 sq.ft. of industrial/office space the Group holds at Nanyang Plaza, 90% is leased.

Financial Investments

In the first half of 2012, world equity markets traded higher. European equity markets however were affected by the unresolved debt crisis and threats of a possible break-up of the Euro. During this period, we increased our investment in bonds, reducing European bonds in favour of emerging market bonds. For the six months ended 30th June 2012, the portfolios showed a positive return of 2.44%. At the end of the period, the value of the portfolios stood at US\$32.8 million or approximately HK\$254.4 million.

Recent data showed that the growth of the US economy is slowing and the recovery is weaker than expected. As at 20th August 2012, the portfolios increased by 4.9% and the value stood at US\$33.6 million or approximately HK\$260.4 million. Equities comprised 41.2% (of which 32.8% was in US equities), 27.4% was in bonds, 2.8% in alternative investments, 6.9% in commodities and 21.7% in cash.

Financial Investments (Continued)

The economic outlook for the rest of the year is uncertain. Sluggish economic growth, pending tax increases and spending cuts in the U.S., a slow-down in China, continued financial turmoil in Europe, changes of leadership in many major countries and a low interest rate environment will increase volatility in equity markets which may have a negative impact on the performance of the portfolios.

Financial Position

The Group's investment properties with a value of HK\$1,209 million (31/12/2011: HK\$1,162 million) have been used to secure general banking facilities of which HK\$97 million (31/12/2011: HK\$118 million) has been drawn down.

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 2012, 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			Total	% of issued share capital
	Personal interests	Family interests	Corporate interests		
Hung Ching Yung	10,701,944	30,000	5,500,000 (Note)	16,231,944	39.31%
Lincoln C. K. Yung	2,240,000	10,000	–	2,250,000	5.45%
Rudolf Bischof	150,000	–	–	150,000	0.36%

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 2012, 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)	13.32%

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 16 employees as at 30th June 2012. 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.

Mr. Yun Cheng Wang

We are saddened by the sudden passing away of our Senior Managing Director, Mr. Yun Cheng Wang (“Mr. Wang”) in April 2012. Mr. Wang was one of the Group’s founding members and had served the Group since its inception. He made invaluable contributions and we derived great benefit from his wise counsel.

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 2012, in compliance with the code provisions set out in the Code on Corporate Governance Practices (effective until 31st March 2012) and Corporate Governance Code (effective from 1st April 2012) as stated 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 2012.

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 2012 with the management.

**UNAUDITED CONDENSED CONSOLIDATED INCOME
STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2012**

	Note	Six months ended 30th June	
		2012	2011
		HK\$'000	HK\$'000 (Restated)
Revenue	4	91,617	112,992
Direct costs		<u>(6,324)</u>	<u>(5,611)</u>
Gross profit		85,293	107,381
Administrative expenses		(18,368)	(22,084)
Other operating income		806	196
Other operating expenses		(1,159)	(991)
Changes in fair value of investment properties		<u>53,830</u>	<u>87,987</u>
Operating profit	5	120,402	172,489
Finance costs	6	(605)	(242)
Share of profits less losses of jointly controlled entities		<u>2,478</u>	<u>6,392</u>
Profit before income tax		122,275	178,639
Income tax expense	7	<u>(16,409)</u>	<u>(15,885)</u>
Profit attributable to equity holders of the Company		<u>105,866</u>	<u>162,754</u>
Earnings per share (basic and diluted)	8	<u>HK\$2.56</u>	<u>HK\$3.93</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE 2012**

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000 (Restated)
Profit for the period	<u>105,866</u>	<u>162,754</u>
Other comprehensive income:		
Fair value gains/(losses) on available-for-sale financial assets	69,115	(58,336)
Currency translation differences	<u>(1,922)</u>	<u>808</u>
Other comprehensive income for the period, net of tax	<u>67,193</u>	<u>(57,528)</u>
Total comprehensive income for the period attributable to equity holders of the Company	<u>173,059</u>	<u>105,226</u>

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2012

	Note	30th June 2012 HK\$'000	31st December 2011 HK\$'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,218	1,320
Investment properties	11	1,282,270	1,228,440
Jointly controlled entities		191,877	189,716
Available-for-sale financial assets	12	1,453,914	1,386,402
Derivative financial assets		–	32
Deferred income tax assets		105	103
		<u>2,929,384</u>	<u>2,806,013</u>
Current assets			
Trade and other receivables	13	12,679	13,059
Financial assets at fair value through profit or loss		197,005	182,534
Tax recoverable		490	821
Cash and cash equivalents		68,943	78,247
		<u>279,117</u>	<u>274,661</u>
Total assets		<u>3,208,501</u>	<u>3,080,674</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	4,129	4,129
Other reserves		1,251,452	1,184,259
Retained earnings		1,793,817	1,708,594
Total equity		<u>3,049,398</u>	<u>2,896,982</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		20,008	18,819
Derivative financial liabilities		–	417
		<u>20,008</u>	<u>19,236</u>
Current liabilities			
Trade and other payables	15	42,095	46,456
Short-term bank loans – secured		97,000	118,000
		<u>139,095</u>	<u>164,456</u>
Total liabilities		<u>159,103</u>	<u>183,692</u>
Total equity and liabilities		<u>3,208,501</u>	<u>3,080,674</u>
Net current assets		<u>140,022</u>	<u>110,205</u>
Total assets less current liabilities		<u>3,069,406</u>	<u>2,916,218</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE 2012**

	Six months ended 30th June 2012			
	Attributable to equity holders of the Company			
	Share capital	Other reserves	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st January 2012 as previously reported	4,129	1,184,259	1,548,799	2,737,187
Adoption of HKAS 12 (Amendment)	—	—	159,795	159,795
Balance at 1st January 2012, as restated	4,129	1,184,259	1,708,594	2,896,982
Total comprehensive income for the period	—	67,193	105,866	173,059
Transactions with shareholders: Dividends relating to 2011 paid in May 2012 (Note 9)	—	—	(20,643)	(20,643)
Total transactions with shareholders	—	—	(20,643)	(20,643)
Balance at 30th June 2012	4,129	1,251,452	1,793,817	3,049,398

	Six months ended 30th June 2011			
	Attributable to equity holders of the Company			
	Share capital	Other reserves	Retained profit	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st January 2011	4,137	1,053,958	1,397,681	2,455,776
Adoption of HKAS 12 (Amendment)	—	—	134,388	134,388
Balance at 1st January 2011, as restated	4,137	1,053,958	1,532,069	2,590,164
Total comprehensive income for the period	—	(57,528)	162,754	105,226
Transactions with shareholders: Dividends relating to 2010 paid in May 2011 (Note 9)	—	—	(33,097)	(33,097)
Total transactions with shareholders	—	—	(33,097)	(33,097)
Balance at 30th June 2011	4,137	996,430	1,661,726	2,662,293

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS
FOR THE SIX MONTHS ENDED 30TH JUNE 2012**

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Net cash used in operating activities	(9,272)	(25,009)
Net cash from/(used in) investing activities	41,687	(29,267)
Net cash (used in)/from financing activities	<u>(41,643)</u>	<u>51,903</u>
Net decrease in cash and cash equivalents	(9,228)	(2,373)
Cash and cash equivalents at 1st January	78,247	55,276
Currency translation difference in cash and cash equivalents	<u>(76)</u>	<u>(9)</u>
Cash and cash equivalents at 30th June	<u>68,943</u>	<u>52,894</u>
Analysis of cash and cash equivalents		
Cash and bank balances	<u>68,943</u>	<u>52,894</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 and investment holding and 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 24th August 2012.

2 Basis of preparation

This Interim Financial Information for the six months ended 30th June 2012 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 (“HKICPA”).

This Interim Financial Information should be read in conjunction with the 2011 annual financial statements.

3 Significant accounting policies

Except for the adoption of HKAS 12 (Amendment) described below, the significant accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the 2011 annual financial statements.

(a) Revised standard and amendment effective in current accounting period and are relevant to the Group’s operations

During the period ended 30th June 2012, the Group has adopted the following revised standard and amendment which are relevant to the Group’s operations and are mandatory for accounting periods beginning on 1st January 2012:

HKAS 12 (Amendment)	Income Taxes
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HKAS 12 (Amendment) requires an entity to measure the deferred income tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendments introduce a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale.

The Group has adopted this amendment and has resulted in a change in accounting policy on the provision of deferred income tax on revaluation of investment properties. Previously, deferred income tax liability was provided at the income tax rates on the valuation of, and the tax bases of, investment properties held under operating leases on the basis that their values would be recovered through use rather than through sale. The Group has investment properties located in Hong Kong where sales proceeds in excess of cost are not taxable, deferred income tax liabilities relating to such investment properties have been reversed. This change in accounting policy is accounted for retrospectively.

3 Significant accounting policies (Continued)

(a) Revised standard and amendment effective in current accounting period and are relevant to the Group's operations (Continued)

The Group has rebutted the sale presumption only for its investment properties located in Mainland China. In Mainland China, investment properties are held by jointly controlled entities. The shareholders of the jointly controlled entities intended to hold these investment properties and recover their values substantially through use rather than sale of the properties. On this basis, the presumption of sale of the investment properties in Mainland China has been rebutted.

The Group has adopted this amendment retrospectively for the financial period ended 30th June 2012 and the comparative figures for 2011 have been restated as disclosed below:

Effect on consolidated balance sheet

	As at 31st December 2011 HK\$'000
Decrease in deferred income tax liabilities	159,795
Increase in retained earnings	<u>159,795</u>

Effect on consolidated income statement

	Six months ended 30th June 2011 HK\$'000
Decrease in income tax expense	14,210
Increase in profit attributable to equity holders of the company	14,210
Increase in basic and diluted earnings per share	<u>HK\$0.34</u>

3 Significant accounting policies (Continued)

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

The following new standards and amendments 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 2012 or later periods but have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of Financial Statements	1st July 2012
HKAS 19 (Amendment)	Employee Benefits	1st January 2013
HKAS 27 (Revised)	Separate Financial Statements	1st January 2013
HKAS 28 (Revised)	Associates and Joint Ventures	1st January 2013
HKFRS 9	Financial Instruments	1st January 2015
HKFRS 10	Consolidated Financial Statements	1st January 2013
HKFRS 11	Joint Arrangements	1st January 2013
HKFRS 12	Disclosure of Interests in Other Entities	1st January 2013
HKFRS 13	Fair Value Measurements	1st January 2013

The Group has not early adopted these new standards and amendments. 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	
	2012	2011
	HK\$'000	HK\$'000
Gross rental income from investment properties	23,871	22,986
Net realised and unrealised gains on financial assets at fair value through profit or loss	5,086	6,251
Dividend income from listed investments	792	880
Dividend income from unlisted investments	56,444	77,693
Interest income	1,079	1,065
Management fee income from investment properties	4,345	4,117
	<u>91,617</u>	<u>112,992</u>

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.

4 Revenue and segment information (Continued)

The segment results for the six months ended 30th June 2012 are as follows:

	Real estate HK\$'000	Financial investments HK\$'000	Total HK\$'000
Total revenue	<u>23,870</u>	<u>67,747</u>	<u>91,617</u>
Segment result	59,892	60,510	120,402
Finance costs			(605)
Share of profits less losses of jointly controlled entities	2,478	–	<u>2,478</u>
Profit before income tax			122,275
Income tax expense			<u>(16,409)</u>
Profit for the period			<u>105,866</u>
Depreciation	(24)	(78)	(102)
Fair value gain on investment properties	<u>53,830</u>	<u>–</u>	<u>53,830</u>

The segment results for the six months ended 30th June 2011 are as follows:

	Textile HK\$'000	Real estate HK\$'000	Financial investments HK\$'000	Total HK\$'000 (Restated)
Total revenue	<u>–</u>	<u>22,987</u>	<u>90,005</u>	<u>112,992</u>
Segment result	–	90,630	81,859	172,489
Finance costs				(242)
Share of (losses)/profits of jointly controlled entities	(402)	6,794	–	<u>6,392</u>
Profit before income tax				178,639
Income tax expense				<u>(15,885)</u>
Profit for the period				<u>162,754</u>
Depreciation	–	(115)	–	(115)
Fair value gain on investment properties	<u>–</u>	<u>87,987</u>	<u>–</u>	<u>87,987</u>

Reportable segments' assets and liabilities are reconciled to total assets and liabilities below. Segment assets exclude interests in jointly controlled entities and deferred income tax assets, and segment liabilities exclude deferred income tax liabilities and short-term bank loans, all of which are managed on a central basis.

4 Revenue and segment information (Continued)

The segment assets and liabilities as at 30th June 2012 are as follows:

	Real estate	Financial	Total
	HK\$'000	investments	HK\$'000
		HK\$'000	HK\$'000
Segment assets	1,283,077	1,733,442	3,016,519
Interests in jointly controlled entities	191,877	–	191,877
Unallocated assets			105
			<u>3,208,501</u>
Segment liabilities	39,921	2,174	42,095
Unallocated liabilities			117,008
			<u>159,103</u>

The segment assets and liabilities as at 31st December 2011 are as follows:

	Textile	Real estate	Financial	Total
	HK\$'000	HK\$'000	investments	HK\$'000
			HK\$'000	(Restated)
Segment assets	–	1,229,227	1,661,628	2,890,855
Interests in jointly controlled entities	41,744	147,972	–	189,716
Unallocated assets				103
				<u>3,080,674</u>
Segment liabilities	–	44,375	2,498	46,873
Unallocated liabilities				136,819
				<u>183,692</u>

Pursuant to the board resolution signed on 16th September 2011, the board of directors of Shanghai Sung Nan Textile Co., Ltd, a jointly controlled entity of the Group, decided to lease its existing site to third parties for rental income. The lease operation has been commenced in 2012 and the business operation was therefore changed from textile segment to real estate segment.

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 from Hong Kong and from other countries in which the operation/ investments are located, for the six months ended 30th June is analysed as follows:

	Revenue	
	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Hong Kong	27,405	27,473
United States of America	4,017	7,054
Europe	2,034	(659)
Southeast Asia	627	(1,119)
Taiwan	56,417	77,061
Other countries	1,117	3,182
	<u>91,617</u>	<u>112,992</u>

At 30th June 2012, 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 follows:

	30th June	31st December
	2012	2011
	HK\$'000	HK\$'000
Hong Kong	1,282,589	1,228,783
Mainland China	192,776	190,693
	<u>1,475,365</u>	<u>1,419,476</u>

5 Operating profit

Operating profit is stated after charging the following:

	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Depreciation	102	115
Employee benefit expense (including directors' emoluments)	12,367	14,119
Fair value losses on derivative instruments	12	157
Loss on disposal of an investment property	–	287
Operating leases – land and building	1,424	1,400
	<u>1,424</u>	<u>1,400</u>

6 Finance costs

	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Interest expenses on short-term bank loans	<u>605</u>	<u>242</u>

7 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the period. Withholding tax on dividends 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.

	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
		(Restated)
Current income tax		
– Hong Kong profits tax	463	410
– Withholding tax	14,757	15,412
Deferred income tax	1,189	63
	<u>16,409</u>	<u>15,885</u>

The share of profits of jointly controlled entities in the condensed consolidated income statement includes the share of income tax attributable to jointly controlled entities for the six months ended 30th June 2012 of HK\$3,384,000 (2011: HK\$2,844,000).

8 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	
	2012	2011
		(Restated)
Profit attributable to equity holders of the Company (HK\$'000)	<u>105,866</u>	<u>162,754</u>
Weighted average number of ordinary shares in issue (thousands)	<u>41,287</u>	<u>41,371</u>
Basic earnings per share (HK\$)	<u>2.56</u>	<u>3.93</u>

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

9 Dividends

	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
2011 final dividend paid of HK\$0.40 (2011: 2010 final dividend paid of HK\$0.40) per share	16,514	16,549
2011 special dividend paid of HK\$0.10 (2011: 2010 special dividend paid of HK\$0.40) per share	4,129	16,548
	<u>20,643</u>	<u>33,097</u>

The Directors have not declared an interim dividend for the six months ended 30th June 2012 (2011: Nil).

10 Property, plant and equipment

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Property, plant and equipment	<u>1,218</u>	<u>1,320</u>

Movement during the period is set out below:

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Net book amount as at 1st January	1,320	1,528
Depreciation	<u>(102)</u>	<u>(115)</u>
Net book amount as at 30th June	<u>1,218</u>	<u>1,413</u>

11 Investment properties

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Investment properties	<u>1,282,270</u>	<u>1,228,440</u>

The Group's investment properties with an aggregate carrying value of HK\$1,209 million (31st December 2011: HK\$1,162 million) have been mortgaged to a bank to secure general banking facilities (Note 16) as at 30th June 2012.

12 Available-for-sale financial assets

The available-for-sale financial assets are primarily the Group's investment in The Shanghai Commercial & Savings Bank, Ltd., a licensed bank in Taiwan ("SCSB"), representing approximately 4% of the total issued share capital of SCSB, which is stated at fair value.

13 Trade and other receivables

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Trade receivables	110	737
Prepayments and deposits	7,154	6,933
Other receivables	<u>5,415</u>	<u>5,389</u>
	<u>12,679</u>	<u>13,059</u>

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

13 Trade and other receivables (Continued)

At 30th June 2012, the aging analysis of trade receivables is as follows:

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Within 30 days	<u>110</u>	<u>737</u>

14 Share capital

	Number of shares	Amount HK\$'000
Authorised:		
Shares of HK\$0.10 each		
At 30th June 2012 and 31st December 2011	<u>60,000,000</u>	<u>6,000</u>
Issued and fully paid:		
Shares of HK\$0.10 each		
At 30th June 2012 and 31st December 2011	<u>41,287,299</u>	<u>4,129</u>

15 Trade and other payables

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Trade payables	2,189	2,189
Other payables	<u>39,906</u>	<u>44,267</u>
	<u>42,095</u>	<u>46,456</u>

At 30th June 2012, the aging analysis of trade payables is as follows:

	30th June 2012 HK\$'000	31st December 2011 HK\$'000
Within 30 days	1,849	1,849
31–60 days	<u>340</u>	<u>340</u>
	<u>2,189</u>	<u>2,189</u>

16 Banking facilities

As at 30th June 2012, the Group has general banking facilities of which HK\$97 million (31 December 2011: HK\$118 million) was utilised by the Group on short-term bank loans.

17 Related party transactions

In addition to the related party information and transactions disclosed elsewhere in the condensed consolidated financial statements, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the period.

(a) Key management compensation

	Six months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Salaries and other employee benefits	11,163	12,171
Post-employment benefits	132	133
	<u>11,295</u>	<u>12,304</u>

(b) Related party balances

	30th June	31st December
	2012	2011
	HK\$'000	HK\$'000
Amounts due from a jointly controlled entity	5,415	5,389
Amount due to a jointly controlled entity	87	114
	<u>5,502</u>	<u>5,503</u>

18 Capital commitments

At 30th June 2012, the Group's share of capital commitments of a jointly controlled entity is as follow:

	30th June	31st December
	2012	2011
	HK\$'000	HK\$'000
Authorised but not contracted for	7,110	–
Contracted but not provided for	3,929	8,798
	<u>11,039</u>	<u>8,798</u>

On behalf of the Board

Rudolf Bischof

Chairman

Hong Kong, 24th August 2012