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# NAN HAI CORPORATION LIMITED

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 680)**

## ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") regarding the clarification of information in some articles (the "Articles") appearing in today's Apple Daily, Sing Tao Daily, Oriental Daily News and Hong Kong Economic Journal in relation to, amongst other things, the expected company's net profit attributable from the sale of properties for this year and for the next five years. The board of directors (the "Board") of Nan Hai Corporation Limited (the "Company") wishes to clarify the contents of the Articles in the manner set out below.

The Board has noted the recent increases in the price and trading volume of the shares of the Company and wishes to state that the Company is not aware of any reasons of such increases save as hereinafter mentioned in this announcement.

### CLARIFICATION TO THE ARTICLES

The Board refers to the Articles in relation to, amongst other things, the expected Company's net profit attributable from the sale of properties would amount to HK\$500 million for this year and HK\$800 million to HK\$900 million for the next five years.

The Board clarifies that the Company has not disclosed any profit forecast information in relation to the presale of phase 1 of a residential properties namely The Peninsula in Shekou, Shenzhen ("The Peninsula") commenced on 18 February 2006. Only such information relating to the location, number of units sold, average selling price, total number of phases involved, total development area and total number of units in the phase 1 of The Peninsula and the details of supportive facilities etc. were disclosed in the press release issued on 20 February 2006. Some other background information relating to development progress and ownerships of The Peninsula have already been disclosed in the annual reports 2002, 2003 and 2004 of the Company.

### GENERAL

The Board has noted the recent increases in the price and trading volume of the shares of the Company and wishes to state that the Company is not aware of any reasons of such increases save as mentioned in this announcement.

Save as disclosed, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of which directors individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board  
**Watt Ka Po James**  
*Company Secretary*

Hong Kong, 21 February 2006

*As at the date of this announcement, the directors of the Company are as follows:*

*Executive directors:*

*Mr. Yu Pun Hoi, Mr. Zhang Hong Ren, Mr. Qin Tian Xiang and Ms. Chen Dan*

*Non-executive directors:*

*Mr. Yu Lin Hoi and Mr. Lam Bing Kwan*

*Independent non-executive directors:*

*Mr. Huang Yaowen, Mr. Jiang Ping, Ms. Wei Jingyun and Mr. Wu Chen*

Please also refer to the published version of this announcement in China Daily.