

# Nan Hai Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

## CHANGE OF DIRECTORS

The board of directors (the “Board”) of Nan Hai Corporation Limited (the “Company”) hereby announces that:

- (i) Ms. Wei Jingyun and Mr. Wu Chen, independent non-executive directors, audit committee members and remuneration committee members of the Company, have retired at the annual general meeting held on 29 May 2006.

In accordance with Bye-law 99 of the Company’s Bye-Laws, both Ms. Wei Jingyun and Mr. Wu Chen have retired by rotation at the annual general meeting of the Company held on 29 May 2006. For personal reasons, both Ms. Wei and Mr. Wu did not seek for re-election as directors of the Company, and accordingly not assuming the roles of members of audit and remuneration committees. Both Ms. Wei and Mr. Wu have confirmed that they have no disagreement with the Board and there is no matter in relation to their resignations that need to be brought to the attention of the shareholders of the Company.

Save as disclosed above, the Board confirms there is no other matters relating to the above resignations that need to be brought to the attention of the shareholders of the Company, and thanks Ms. Wei and Mr. Wu for their valuable contributions to the Company.

- (ii) Mr. Lau Yip Leung was appointed as independent non-executive director, audit committee member and remuneration committee member of the Company with effect from 29 May 2006.

Mr. Lau Yip Leung, aged 45, graduated from the City University of Hong Kong and awarded an honours degree of Bachelor of Arts in Accountancy in 1991. Mr. Lau also holds an MBA conferred by the University of Hull, UK in 1995. In addition, Mr. Lau is a fellow member of The Association of Chartered Certified Accountants; member of The Institute of Chartered Accountants in England and Wales, and Certified Public Accountant (Practising) of The Hong Kong Institute of Certified Public Accountants. Mr. Lau started his public practice business in 1998, and has been a partner of Messrs. Fung Lau & Company, Certified Public Accountants, since October 2000.

Save as disclosed above, Mr. Lau has not held any positions with the Company and its subsidiaries, nor held any other directorships in listed public companies for the last three years. Mr. Lau is entitled to receive a director’s fee of HK\$120,000 per annum with reference to his duties and responsibilities within the Company, and is not entitled to receive any bonus payments, whether fixed or discretionary in nature, subject to review by the Board from time to time. Mr. Lau has not entered into any service contract with the Company, nor been appointed for a specific term, but is subject to the retirement and rotation requirements in accordance with the Company’s Bye-Laws. Mr. Lau does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Lau does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, the Board confirms there is no other matters relating to the above appointment that needs to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Members of the Board welcome Mr. Lau Yip Leung to join the Board.

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

Hong Kong, 29 May 2006

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

*Executive directors:* Mr. Yu Pun Hoi, 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, Prof. Jiang Ping and Mr. Lau Yip Leung

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