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NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

ANNOUNCEMENT

The directors of the Company announce that Completion of the Sale and Purchase Agreement will be extended to 31 August 2005 due to the fact that 中信信息科技投資有限公司 (CITIC Information Technology Investment Company Limited), one of the Vendors, requires additional time to complete its internal procedural matters in respect of release 550,000,000 Sale Shares for disposal of to the Company.

Reference is made to the joint announcements of Sino-i and the Company dated 29 December 2003, 13 December 2004 and 4 July 2005, and their circulars to shareholders dated 23 March 2004 in relation to, amongst others, (a) the subscription of the South Sea Notes by Robina, a wholly owned subsidiary of Sino-i, (b) the Capital Reduction of Sino-i and the Distribution of South Sea Shares by Sino-i to the Qualifying Shareholders on the basis of 15,756 South Sea Shares for every 10,000 New Sino-i Shares to be held on the Record Date, and (c) the Sale and Purchase Agreement entered into on 29 December 2003 between the Company and the Vendors relating to the proposed acquisition by the Company of approximately 62.85% of Sino-i's issued share capital. Capitalized terms used in this announcement have the same meaning as defined in the our circular dated 23 March 2004 unless the context requires otherwise.

CAPITAL REDUCTION AND DISTRIBUTION

On 26 July 2005, Robina has converted the entire principal amount under the South Sea Notes immediately before the Capital Reduction becoming effective. As informed by Sino-i, the Capital Reduction takes effect at 4:30 p.m. on 26 July 2005 after the registration by the Registrar of Companies in Hong Kong of an office copy of the Court order and the minutes containing those particulars required under section 61 of the Companies Ordinance and the Distribution has been completed before 9:30 a.m. on 27 July 2005 and accordingly, the Company ceases to be a subsidiary of Sino-i.

SALE AND PURCHASE AGREEMENT

As announced on 4 July 2005, Completion of the Sale and Purchase Agreement is expected to take place on 15 August 2005. The directors of the Company announce that Completion of the Sale and Purchase Agreement will be extended to 31 August 2005 due to the fact that 中信信息科技投資有限公司 (CITIC Information Technology Investment Company Limited), one of the Vendors, requires additional time to complete its internal procedural matters in respect of release 550,000,000 Sale Shares for disposal of to the Company.

Further announcement will be made if the Sale and Purchase Agreement will not be completed on or before 31 August 2005.

GENERAL

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr. Yu Pun Hoi, Mr. Zhang Hong Ren and Dr. Zhao Liang; two non-executive directors, namely Mr. Yu Lin Hoi and Mr. Lam Bing Kwan and three independent non-executive directors, namely Mr. Qin Tian Xiang, Ms. Wei Jingyun and Mr. Wu Chen.

By order of the board
Watt Ka Po James
Secretary

Hong Kong, 12 August 2005

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