

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Nan Hai Corporation Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**南海控股有限公司\***  
NAN HAI CORPORATION LIMITED  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 680)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
DECLARATION AND PAYMENT OF FINAL DIVIDEND  
AND  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed “Definitions” in this circular. A notice convening an annual general meeting of the Company to be held at Ballroom, 5/F, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 25 May 2017 at 10:45 a.m. is set out on pages 15 to 22 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meetings should you so wish.

\* For identification purpose only

## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at Ballroom, 5/F, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 25 May 2017 at 10:45 a.m. or any adjournment thereof, notice of which is set out on pages 15 to 22 of this circular
“associates”	has the same meaning as ascribed under the Listing Rules
“Board”	the board of the Directors
“Bye-Laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Nan Hai Corporation Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Existing Mandates”	general mandates to issue and repurchase shares of the Company granted to the Directors at the annual general meeting held on 6 June 2016
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as may be amended from time to time
“Proposed Amendments”	has the meaning ascribed to it under the paragraph “Proposed Amendments to the Bye-Laws” in this circular
“Repurchase Resolution”	the resolution to be proposed at the AGM for the granting to the Directors of a general mandate to repurchase Shares on the Stock Exchange not exceeding 10% of the number of Shares in issue as at the date of the passing of the resolution

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company or if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholders”	registered holders of Shares
“Sino-i”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as may be amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



南海控股有限公司\*

NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

*Directors:*

Mr. YU Pun Hoi (*Chairman*)  
Ms. LIU Rong  
Mr. LUNG King Cheong  
Mr. LAM Bing Kwan<sup>#</sup>  
Mr. HO Yeung Nang\*  
Mr. LAU Yip Leung\*  
Mr. XIAO Sui Ning\*

*Principal place of business*

*in Hong Kong:*  
12/F., The Octagon  
No. 6 Sha Tsui Road  
Tsuen Wan  
New Territories  
Hong Kong

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

<sup>#</sup> *Non-executive Director*

\* *Independent non-executive Directors*

18 April 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
DECLARATION AND PAYMENT OF FINAL DIVIDEND  
AND  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

\* *For identification purpose only*

## LETTER FROM THE BOARD

### INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for the approval of:

- (1) the granting to the Directors of general mandates to issue and repurchase Shares and the extension of the general mandate to issue Shares by adding to it the number of Shares repurchased;
- (2) the re-election of retiring Directors;
- (3) the declaration and payment of final dividend; and
- (4) the Proposed Amendments.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant to the Directors the general mandates, in substitution for the Existing Mandates, to:

- (i) allot, issue or otherwise deal with Shares or convertible securities up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution (the “**Issue Mandate**”);
- (ii) repurchase on the Stock Exchange Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution (the “**Repurchase Mandate**”); and
- (iii) add to the general mandate given to the Directors under sub-paragraph (i) above any Shares repurchased pursuant to the Repurchase Mandate under sub-paragraph (ii) above up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution.

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Resolution is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

Subject to the approval of the above resolutions by the Shareholders at the AGM, the Issue Mandate and the Repurchase Mandate will expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws to be held; or (iii) the revocation or variation of the authorities by an ordinary resolution of the Shareholders at a general meeting of the Company.

## LETTER FROM THE BOARD

### RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-Laws, Ms. Liu Rong and Mr. Lau Yip Leung shall retire at the AGM. In addition, Mr. Lung King Cheong and Mr. Ho Yeung Nang, who were respectively appointed by the Board as executive Director and independent non-executive Director on 20 September 2016, shall hold office until the forthcoming annual general meeting pursuant to Bye-law 102 of the Bye-laws. All of the above retiring Directors, being eligible, will offer themselves for re-election.

Mr. Lau Yip Leung has acted as an independent non-executive Director for more than nine years. The Company has received from Mr. Lau Yip Leung a confirmation of his independence according to Rule 3.13 of the Listing Rules. Throughout his directorship with the Company, Mr. Lau Yip Leung has participated in Board meetings to give impartial advice and exercise independent judgement, served on various committees of the Board but has never engaged in any executive management. Taking into consideration of the independent nature of his role and duties in the past years, the Board considers Mr. Lau Yip Leung to be independent under the Listing Rules although he has served the Company for more than nine years. The Board also believes that the continuous appointment of Mr. Lau Yip Leung as an independent non-executive Director will benefit the Company and its shareholders as a whole as Mr. Lau Yip Leung has, over time, gained valuable insights and experience in the Group's business.

Details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### DECLARATION AND PAYMENT OF FINAL DIVIDEND

The Board has resolved to recommend the declaration and payment of a final dividend of 0.2 HK cents per Share for the year ended 31 December 2016 subject to approval by Shareholders at the AGM. The final dividend, if approved by the Shareholders at the AGM, will be paid on or before 18 July 2017 to Shareholders whose names appear on the register of members of the Company on 2 June 2017.

### PROPOSED AMENDMENTS TO THE BYE-LAWS

Reference is made to the Company's announcement dated 31 March 2017. The Board proposed to amend the Bye-Laws for the purpose of allowing the Company to send and supply corporate communications within the meaning ascribed to it by the Listing Rules to the Shareholders by electronic means pursuant to Rule 2.07A of the Listing Rules (the "**Proposed Amendments**"), and to seek the approval of the Proposed Amendments by the Shareholders at the AGM by way of a special resolution. Details of the Proposed Amendments are set out in Resolution 8 in the notice of the AGM.

The legal adviser of the Company as to Hong Kong laws has confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and the legal adviser of the Company as to Bermuda laws has confirmed that the Proposed Amendments are not inconsistent with the applicable laws of Bermuda. In addition, the Company confirms that there is nothing unusual about the Proposed Amendments for a Bermuda company listed in Hong Kong.

## **LETTER FROM THE BOARD**

Shareholders are advised that the Bye-Laws are written in English only and there is no official Chinese translation. The Chinese translation of the Bye-Laws is provided for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

### **ANNUAL GENERAL MEETING**

The Board has resolved to convene the AGM to consider and, if thought fit, by the Shareholders, to approve the proposed resolutions as set out in the notice of AGM on pages 15 to 22 of this circular. Whether or not you are able to attend and vote at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meetings should you so wish.

### **PROCEDURES BY WHICH A POLL MAY BE DEMANDED**

Pursuant to Bye-law 70 of the Bye-Laws, a resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). Accordingly, the chairman of the AGM will request all the proposed resolutions set out in the notice of AGM to be voted on by poll. On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he/she/it is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on a share. A

## LETTER FROM THE BOARD

Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way. The poll results will be published on the websites of the Company and the Stock Exchange on the day of the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that all the resolutions proposed in respect of the above, including the proposals for the re-election of the Directors, the grant of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate, the declaration and payment of final dividend, as well as the Proposed Amendments, are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend all Shareholders to vote in favour of all the resolutions set out in the notice of the AGM.

Yours faithfully,  
By order of the Board  
**Nan Hai Corporation Limited**  
**Yu Pun Hoi**  
*Chairman and Executive Director*



*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.*

**SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all securities repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of a general mandate, or by a specific approval in relation to a specific transaction. All the shares proposed to be repurchased by the issuer must be fully paid up.

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$686,455,357.94 comprising 68,645,535,794 Shares. As at the Latest Practicable Date, there was no share option granted under the share option scheme of the Company entitling holders thereof to subscribe for Shares.

Subject to the passing of the relevant resolution to approve the grant of the Repurchase Mandate and on the basis that no further Shares are to be issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 6,864,553,579 Shares under the Repurchase Mandate.

**REASONS FOR REPURCHASE OF SHARES**

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors have no present intention to repurchase any Shares and such repurchase will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

**IMPACT OF REPURCHASE OF SHARES**

As compared with the financial position of the Company as at 31 December 2016 (being the date to which its latest audited financial statements were made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

**FUNDING OF REPURCHASE**

In repurchasing any Shares, the Company may only apply funds legally available for such purpose in accordance with the applicable laws of Bermuda and the Bye-Laws.

The Companies Act 1981 of Bermuda (as amended) further provides that no repurchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

### **DIRECTORS, THEIR CLOSE ASSOCIATES AND THE COMPANY'S CORE CONNECTED PERSONS**

To the best of the knowledge of the Directors have made all reasonable enquiries, none of the Directors nor any close associates (as defined in the Listing Rules) of the Directors has a present intention, in the event that the Repurchase Resolution is passed by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has an intention to sell Shares to the Company nor has any core connected person of the Company undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Repurchase Resolution is passed.

### **UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to repurchase Shares pursuant to the Repurchase Resolution in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-Laws.

### **EFFECT OF TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Yu Pun Hoi ("Mr. Yu"), the chairman of the Company, who, together with his associates through companies controlled by them, is interested in approximately 53.84% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares, which is proposed to be granted pursuant to the Repurchase Resolution, the shareholding of Mr. Yu and his associates will be increased to approximately 59.82% of the then issued share capital of the Company. The Directors believe that such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have undertaken not to make any repurchase in the circumstances that Shares in the hand of the public would fall below 25% of the Company's total issued share capital.

**SHARE PRICES**

The highest and lowest traded prices for Shares on the Stock Exchange during each of the twelve months preceding and including the Latest Practicable Date were as follows:

	<b>PER SHARE</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2016</b>		
April	0.230	0.173
May	0.223	0.187
June	0.215	0.200
July	0.211	0.200
August	0.205	0.192
September	0.215	0.195
October	0.285	0.205
November	0.290	0.247
December	0.290	0.250
<b>2017</b>		
January	0.260	0.230
February	0.265	0.231
March	0.275	0.242
April (up to and including the Latest Practicable Date)	0.285	0.250

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

**Ms. Liu Rong** — *Executive Director*

Ms. Liu Rong (“Ms. Liu”), aged 45, graduated from the Law School of Anhui University with a Bachelor degree in Laws, and got a Master of Laws conferred by the Law Institute of Chinese Academy of Social Science, and is also a qualified lawyer in the PRC. In addition, Ms. Liu graduated from the International MBA School of National School of Development of Peking University in 2013. Prior to joining the Group, Ms. Liu worked in Chinese government departments and law firms.

Ms. Liu joined Sino-i group in April 2002 and has been appointed as an executive director and executive committee member of the Company in March 2009. Ms. Liu has been appointed as a member of nomination committee of the Company in March 2017. Ms. Liu is responsible for the businesses in culture and media of the Group.

Ms. Liu is also an executive director and nomination committee member of Sino-i, and a director of a number of subsidiaries of the Company.

Save as disclosed above, as at the Latest Practicable Date, Ms. Liu has not held any positions with the Company and its subsidiaries, nor has she held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Ms. Liu is not entitled to receive any director’s emoluments for her appointment as an executive Director but will receive remuneration for her management positions within the Group, including all current salaries, bonuses and allowances. The Company will disclose the remuneration of Directors in the annual report each year. The remuneration of Ms. Liu is determined by the Board with regard to her duties and responsibilities within the Group and the recommendation made by the remuneration committee of the Company.

Ms. Liu 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 Bye-Laws. Upon approval of her re-election as an executive Director, the Company will enter into a service contract with Ms. Liu for a term of two years subject to the retirement and rotation requirements in accordance with the Bye-Laws.

As at the Latest Practicable Date, Ms. Liu does not have any interests in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO, and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is no information relating to Ms. Liu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Lau Yip Leung** — *Independent non-executive Director*

Mr. Lau Yip Leung (“Mr. Lau”), aged 56, graduated from the City University of Hong Kong and awarded an honours degree of Bachelor of Arts in Accountancy in 1991, and also holds an MBA conferred by the University of Hull, UK. Mr. Lau is a fellow member of The Association of Chartered Certified Accountants, a member of The Institute of Chartered Accountants in England and Wales, and a practising member 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.

Mr. Lau joined the Board in May 2006 and is also a member of audit committee and remuneration committee of the Company. In March 2012, Mr. Lau has been appointed as a member of nomination committee of the Company. Mr. Lau is appointed as chairman of audit committee of the Company in September 2013.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lau has not held any positions with the Company and its subsidiaries, nor has he held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Lau is entitled to receive a director’s emoluments of approximately HK\$120,000 per annum determined with reference to his duties and responsibilities within the Company, and is subject to review by the Board from time to time.

Mr. Lau has entered into a service contract with the Company for a term until he ceases to be a director of the Company but is subject to the retirement and rotation requirements in accordance with the Bye-Laws. Upon approval of his re-election as an independent non-executive Director, the Company will enter into a new service contract with Mr. Lau for a term of two years subject to the retirement and rotation requirements in accordance with the Bye-Laws.

As at the Latest Practicable Date, Mr. Lau does not have any interests in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is no information relating to Mr. Lau that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Lung King Cheong** — *Executive Director*

Mr. Lung King Cheong (“Mr. Lung”), aged 63, joined the Group in 2015 as a director of Dadi News Media (HK) Limited (a wholly-owned subsidiary of the Company). He currently also serves as a director of each of Duowei Media (HK) Limited, HK01 Company Limited and WeMedia01 (HK) Limited (all of which are wholly-owned subsidiaries of the Company). Mr. Lung is responsible for all news media business of the Group in Hong Kong, Beijing and the USA. Mr. Lung is primarily responsible for the operations of “HK01”, a multi-platformed news media which publishes a weekly newspaper and operates a 24 hours’ news portal in Hong Kong. Mr. Lung is also responsible for the publication of Duowei monthly magazine in Hong

Kong, Singapore, Malaysia and North America; as well as the overall editorial work and general management of the “HK01” editorial team. Mr. Lung has been appointed as an executive Director in September 2016 and is a director of a number of subsidiaries of the Company.

Mr. Lung is an active member of the Hong Kong news media and has extensive publishing and editorial experience. Prior to joining the Group and starting from the 1980s, Mr. Lung had served as the deputy publisher and general manager of Hong Kong Daily News, the chief editor and publisher of Hong Kong Today, the editorial director and member of the executive committee of One Media Group Limited. Mr. Lung had also been the editor-in-chief of Ming Pao Weekly for 20 years. Mr. Lung is very familiar with the Hong Kong media industry and is one of the most experienced media people in Hong Kong.

Mr. Lung joined the Board in September 2016, and is also a director of a number of subsidiaries of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lung has not held any positions with the Company and its subsidiaries, nor has he held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Lung is entitled to receive a director’s emoluments of approximately HK\$120,000 per annum determined with reference to his duties and responsibilities within the Company, and is subject to review by the Board from time to time.

Mr. Lung has entered into a service agreement with the Company for a term of two years commencing from the date of his appointment. He is subject to retirement from office and shall be eligible for re-election at the first general meeting of the Company after his appointment, and subsequently be subject to retirement and rotation requirements at the annual general meeting of the Company in accordance with the Bye-Laws. Upon approval of his re-election as an executive Director, the Company will enter into a new service contract with Mr. Lung for a term of two years subject to the retirement and rotation requirements in accordance with the Bye-Laws.

As at the Latest Practicable Date, Mr. Lung is interested in 150,000 shares in Sino-i, an associated corporation of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lung does not have any other interests in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is no information relating to Mr. Lung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Ho Yeung Nang** — *Independent Non-executive Director*

Mr. Ho Yeung Nang (“Mr. Ho”), aged 67, has been in the position of chief operating officer of a private company engaged in coal mining and iron sand mining businesses in Indonesia and the Philippines respectively since he left the Group in July 2009. Mr. Ho holds a Bachelor’s Degree in Arts from The University of Hong Kong and a Master’s Degree in Business Administration from The Chinese University of Hong Kong. Mr. Ho served in different managerial positions in banking industry both in Hong Kong and China during the period from about 1973 to 1988.

During the period from about 1989 to 1991, Mr. Ho was in Canada running his own business. In about 1992, Mr. Ho joined the Group and worked as a general manager of the property division of the Group, who left the Group in July 2009. Mr. Ho has been appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee and the nomination committee of the Company in September 2016.

Mr. Ho joined the Board in September 2016 and has been appointed as a member of audit committee, remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ho has not held any positions with the Company and its subsidiaries, nor has he held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Ho is entitled to receive a director’s emoluments of approximately HK\$120,000 per annum determined with reference to his duties and responsibilities within the Company, and is subject to review by the Board from time to time.

Mr. Ho has entered into a service agreement with the Company for a term of two years commencing from the date of his appointment. He is subject to retirement from office and shall be eligible for re-election at the first general meeting of the Company after his appointment, and subsequently be subject to retirement and rotation requirements at the annual general meeting of the Company in accordance with the Bye-Laws. Upon approval of his re-election as an independent non-executive Director, the Company will enter into a new service contract with Mr. Ho for a term of two years subject to the retirement and rotation requirements in accordance with the Bye-Laws.

As at the Latest Practicable Date, Mr. Ho does not have any interests in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO, and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

There is no information relating to Mr. Ho that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save for the foregoing, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above Directors.

## NOTICE OF ANNUAL GENERAL MEETING



### 南海控股有限公司\*

NAN HAI CORPORATION LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 680)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Nan Hai Corporation Limited (the “**Company**”) will be held at Ballroom, 5/F, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 25 May 2017 at 10:45 a.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To receive, consider and approve the audited financial statements of the Company and the reports of the directors and independent auditors for the year ended 31 December 2016.
2. To declare and pay the final dividend of the Company for the year ended 31 December 2016.
3.
  - (a) To re-elect Ms. Liu Rong as an executive Director of the Company.
  - (b) To re-elect Mr. Lau Yip Leung as an independent non-executive Director of the Company.
  - (c) To re-elect Mr. Lung King Cheong as an executive Director of the Company.
  - (d) To re-elect Mr. Ho Yeung Nang as an independent non-executive Director of the Company.
  - (e) To authorize the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint Messrs. BDO Limited as auditors of the Company until the conclusion of the next annual general meeting and to authorize the board of directors of the Company to fix their remuneration.

\* *For identification purpose only*



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As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. **“THAT**

- (a) subject to paragraph (c) below, a general mandate be and is hereby unconditionally granted to the directors of the Company to exercise during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options, warrants or other securities (including bonds and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such power, subject to and in accordance with all applicable laws, rules and regulations;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements, options, warrants or other securities (including bonds and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends or similar arrangement pursuant to the bye-laws of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) an issue of shares pursuant to the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the number of shares of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this resolution:

**“Relevant Period”** means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).

“**shares**” shall, for the purposes of the general mandate referred to in this Resolution, mean such number of shares as may be adjusted in the event that the shares in issue as at the date of passing this Resolution are, at any time thereafter, converted into a larger or smaller number of shares.”

### 6. “**THAT**

- (a) subject to paragraph (b) below, a general mandate be and is hereby unconditionally given to the director of the Company to exercise during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or otherwise acquire shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
- (b) the aggregate number of shares so purchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of the shares of the Company in issue at the date of passing of this Resolution;
- (c) subject to the passing of each of paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Shares” shall, for the purposes of the general mandate referred to in this Resolution, mean such number of shares as may be adjusted in the event that the shares in issue as at the date of passing this Resolution are, at any time thereafter, converted into a larger or smaller number of shares.”

7. “**THAT** subject to the passing of Resolutions numbered 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to issue and deal with additional shares pursuant to Resolution numbered 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to Resolution numbered 6 set out in the notice convening this meeting, provided that such number of shares so repurchased shall not exceed 10% of the number of shares of the Company in issue at the date of passing of this Resolution.”

### SPECIAL RESOLUTION

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

8. “**THAT** the bye-laws of the Company (the “**Bye-Laws**”) be and are hereby amended in the following manner:
- (i) By adding the following new definitions in Bye-Law 1 in appropriate alphabetical order:

“**address**” shall have the ordinary meaning given to it and shall include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to these Bye-Laws.

“**electronic**” shall mean relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time.

“**full financial statements**” shall mean the financial statements that are required under section 87(1) of the Companies Act as may be amended from time to time.

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“**summarised financial statements**” shall have the meaning ascribed to them in the section 87A(3) of the Companies Act as may be amended from time to time.

- (ii) By deleting the existing definition of “Statutes” in Bye-Law 1 in its entirety and substituting therefor with the following:

“**Statutes**” shall mean the Companies Act, the Electronic Transactions Act 1999 of Bermuda, and every other act (as amended from time to time) for the time being in force of the Legislature of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents.

- (iii) By deleting the existing definition of “writing” or “printing” in Bye-Law 1 in its entirety and substituting therefor with the following:

“**writing**” or “**printing**” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form, including electronic record, provided that both the mode of service of the relevant document or notice and the members’ election comply with all applicable Statutes, rules and regulations.

- (iv) By deleting the word “Every” in the beginning of paragraph (B) of Bye-Law 162 and replacing therefor with the words “Subject to paragraph (C) below, every”.

- (v) By adding after paragraph (B) of Bye-Law 162 the following new paragraph (C):

(C) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required thereunder, the requirements of paragraph (B) of this Bye-Law shall be deemed satisfied in relation to any member by sending to the member a summarised financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that (i) any member who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summarised financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon and (ii) the summarised financial statements must be accompanied by an auditor’s report and notice informing the member how to notify the Company that he elects to receive the full financial statements.

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(vi) By deleting the existing Bye-Law 167 in its entirety and substituting therefor with the following:

167.(A)(1) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Bye-Laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules prescribed by the stock exchange in the Relevant Territory from time to time and subject to this Bye-Law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(2) Any notice or document to be given to or by any person pursuant to these Bye-Laws may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or (other than share certificates) by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in the Relevant Territory. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by the stock exchange in the Relevant Territory from time to time, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a website and notifying the member concerned that it has been so published (“notice of availability”).

(B)(1) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Head Office or Registered Office.

(2) The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.

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(vii) By deleting the existing Bye-Law 169 in its entirety and substituting therefor with the following:

169. Any notice or other document:

- (i) if served or delivered by post (including by airmail), shall be deemed to have been served or delivered on the day following that on which the letter, envelope or wrapper containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly prepaid, addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the letter, envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (ii) if left by the Company at the address of a member noted on the register, shall be deemed to have been served or delivered on the day it was so left;
- (iii) if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company;
- (iv) if served or delivered by the Company by any other means authorised in writing by the member concerned, shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose;
- (v) if published by way of advertisement in the Newspapers or in an appointed newspaper, shall be deemed to have been served or delivered on the day it was so published;
- (vi) if published on a website, shall be deemed given by the Company to a member on the later of (a) the date on which a notice of availability is deemed served on such member and (b) the date on which such notice or document was published on the website.

By order of the Board  
**Nan Hai Corporation Limited**  
**Liu Rong**  
*Executive Director*

Hong Kong, 18 April 2017

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*Notes:*

1. A shareholder of the Company entitled to attend and vote at the annual general meeting is entitled to appoint one or, if he/she is the holder of two or more shares, more than one proxy to attend and vote in his/her stead in accordance with the bye-laws of the Company. A proxy need not be a shareholder of the Company.
2. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from 22 May 2017 to 25 May 2017, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the meeting. In order to register the transfers, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 19 May 2017.
4. The register of members of the Company will also be closed from 1 June 2017 to 2 June 2017, both days inclusive during which period no transfer of shares will be effected, for the purpose of determining the Shareholders' entitlement to the final dividend. In order to register the transfers, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 31 May 2017. The final dividend is payable on or before 18 July 2017 to the Shareholders whose names appear on the register of members on 2 June 2017.
5. All resolutions at the annual general meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
6. In respect of the ordinary resolution numbered 3 above, Ms. Liu Rong, Mr. Lau Yip Leung, Mr. Lung King Cheong and Mr. Ho Yeung Nang shall retire and, being eligible, have offered themselves for re-election as directors of the Company at the above meeting. Details of the above directors are set out in Appendix II to the accompanied circular dated 18 April 2017.
7. In respect of the ordinary resolution numbered 5 above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
8. In respect of ordinary resolution numbered 6 above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders. An explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix I to the accompanied circular dated 18 April 2017.
9. As at the date of this notice, the directors of the Company are Mr. Yu Pun Hoi, Ms. Liu Rong, Mr. Lung King Cheong, Mr. Lam Bing Kwan, Mr. Ho Yeung Nang, Mr. Lau Yip Leung and Mr. Xiao Sui Ning.