

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this supplemental 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 supplemental circular, together with the enclosed Revised Proxy Form, to the purchaser or the 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 the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplemental circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplemental circular.



南海控股有限公司*

NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR
TO SHAREHOLDERS DATED 25 APRIL 2016**

**(1) RE-ELECTION OF DIRECTOR
(2) SUPPLEMENTAL NOTICE OF AGM**

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed “Definitions” in this supplemental circular. This document is supplemental to and should be read together with the circular of the Company dated 25 April 2016 (the “**Circular**”) in relation to, among other things, the general mandates to issue and repurchase shares and the re-election of retiring directors.

A supplemental notice convening the AGM to be held at Atrium, 39/F, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 6 June 2016 at 10:45 a.m. is set out on pages 7 to 8 of this supplemental circular. The Revised Proxy Form for use at the AGM is enclosed with this supplemental circular. The Initial Proxy Form despatched with the Circular is superseded by the Revised Proxy Form enclosed herewith. Whether or not you are able to attend and vote at the AGM, you are requested to complete the enclosed Revised Proxy Form 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 AGM or any adjournment thereof. Completion and return of the Revised Proxy Form will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meetings should you so wish.

* *For identification purpose only*

DEFINITIONS

Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise. In addition, in this supplemental circular, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 27 April 2016, in relation to, among other things, the appointment of Mr. Xiao Sui Ning as an independent non-executive Director
“Circular”	the circular of the Company dated 25 April 2016
“Closing Time”	48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be)
“Initial Notice of AGM”	the notice convening the AGM, as set out in the Circular
“Initial Proxy Form”	the form of proxy accompanying the Circular
“Latest Practicable Date”	12 May 2016, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining certain information contained herein
“Remuneration Committee”	the remuneration committee of the Company
“Revised Proxy Form”	the new form of proxy accompanying this supplemental circular
“Supplemental Notice of AGM”	the supplemental notice convening the AGM, as set out on pages 7 to 8 of this supplemental circular

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. CHEN Dan

Ms. LIU Rong

Mr. WANG Gang[#]

Mr. LAM Bing Kwan[#]

Prof. JIANG Ping*

Mr. LAU Yip Leung*

Mr. XIAO Sui Ning*

[#] *Non-executive Directors*

* *Independent non-executive Directors*

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

17 May 2016

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR
TO SHAREHOLDERS DATED 25 APRIL 2016**

**(1) RE-ELECTION OF DIRECTOR
(2) SUPPLEMENTAL NOTICE OF AGM**

INTRODUCTION

This supplemental circular should be read together with the Circular in relation to, among other things, the general mandates to issue and repurchase shares and the proposed re-election of retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

On 27 April 2016, the Board announced the appointment of Mr. Xiao Sui Ning (“**Mr. Xiao**”) as an independent non-executive Director. As stated in the Announcement, Mr. Xiao will hold such position until the AGM at which time he will retire and be eligible for re-election by the Shareholders.

The purpose of this supplemental circular is to provide you with information on the resolution to approve the re-election of Mr. Xiao as an independent non-executive Director at the AGM, and to provide Shareholders with the Supplemental Notice of AGM and the Revised Proxy Form.

Unless otherwise defined, capitalised terms used in this supplemental circular shall have the same meanings as those defined in the Circular.

RE-ELECTION OF DIRECTOR

According to Bye-law 102(A) of the Bye-Laws, any Director appointed to fill a casual vacancy on the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Xiao will retire at the upcoming AGM and being eligible, will offer himself for re-election at the AGM. The resolution relating to the re-election of Mr. Xiao as an independent non-executive Director will be proposed under item 2(d) of the Supplemental Notice of AGM. Brief biographical details of Mr. Xiao are set out below:

Mr. Xiao, aged 68, is currently a consultant of Ping An Bank Co., Ltd. (the securities of which are listed on the Shenzhen Stock Exchange), an independent director of Beijing SPC Environment Protection Tech Co., Ltd. (the securities of which are listed on the Shenzhen Stock Exchange), an independent director of Zhongrun Resources Investment Corporation (the securities of which are listed on the Shenzhen Stock Exchange) and an independent non-executive director of Haitong Securities Co., Ltd. (the securities of which are listed on the Shanghai Stock Exchange and the Stock Exchange). Mr. Xiao is also an independent non-executive director of Sino-i Technology Limited, a subsidiary of the Company (the securities of which are listed on the Stock Exchange). Mr. Xiao graduated from Yunnan Finance and Management College (雲南經濟管理幹部學院) majoring in corporate management. Mr. Xiao is recognised as a senior economist by Bank of Communications. Mr. Xiao was the electrician and team leader at the third subsidiary of Yunnan Hydropower Construction Company (雲南水利發電建設公司) from July 1968 to September 1971; the chief of mechanical and electrical drainage, electrical technician and engineer at the Panshidong Industrial Zone at Hydropower Construction Company (水利發電建設公司噴水洞工區) from September 1971 to January 1975; the electrical designer and technician at Yunnan Electrical Power Design Institute (雲南電力設計院) from January 1975 to February 1984; the deputy director of the powerhouse and chief engineer of the power plant of Electric Power Design Institute (電力設計院) from February 1984 to August 1985; the general manager at Kunming Yinding Industrial Co., Ltd. (昆明銀鼎實業公司) from January 1985 to August 1987; the acting general economist and the acting general accountant at Yunnan Electrical Power Design Institute from August 1987 to September 1990; the director of personnel education division and the assistant to general manager at Bank of Communications Chongqing Branch as well as general manager, assistant general manager and a member of the Party Leadership Group of real estate development

LETTER FROM THE BOARD

company from September 1990 to November 1995; the president and the secretary to the Party Committee of Bank of Communications Zhuhai Branch from November 1995 to August 1999; the president and the secretary to the Party Committee (bureau level) of Bank of Communications Shenzhen Branch from August 1999 to February 2007; the president and the chairman of the headquarters of Shenzhen Development Bank from February 2007 to November 2012.

Mr. Xiao has entered into a service agreement with the Company for a term of two years commencing from 27 April 2016. Upon approval of his re-election as an independent non-executive Director, Mr. Xiao will enter into a new service agreement with the Company for a term of two years subject to retirement and rotation requirements and is eligible for re-election in accordance with the Bye-laws. Mr. Xiao will be entitled to RMB120,000 per annum as service fee for his appointment as an independent non-executive Director. The remuneration of Mr. Xiao as an independent non-executive Director is determined by the Board with regard to his duties and responsibilities within the Company and the recommendation made by the Remuneration Committee.

As at the Latest Practicable Date, as far as the Board is aware and save as disclosed above, Mr. Xiao (i) has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions in the Group; and (iii) is not interested in any shares of the Company within the meaning of Part XV of the SFO. There is no other information relating to Mr. Xiao that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

REVISED PROXY FORM

Since the Initial Proxy Form does not contain the proposed resolution for the re-election of Mr. Xiao as an independent non-executive Director as set out in this supplemental circular, the Revised Proxy Form has been prepared and is enclosed with this supplemental circular.

Whether or not you are able to attend and vote at the AGM, you are requested to complete the enclosed Revised Proxy Form 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 AGM or any adjournment thereof. Completion and return of the Revised Proxy Form will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meetings should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

A Shareholder who has not yet lodged the Initial Proxy Form with the branch share registrar is requested to lodge the Revised Proxy Form if he/she wishes to appoint proxy(ies) to attend the AGM on his/her behalf. In this case, the Initial Proxy Form should **not** be lodged with the branch share registrar of the Company in Hong Kong.

LETTER FROM THE BOARD

A Shareholder who has already lodged the Initial Proxy Form with the branch share registrar of the Company should note that:

- (i) If no Revised Proxy Form is lodged with the branch share registrar of the Company in Hong Kong, the Initial Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy so appointed by the Shareholder shall be required to vote in such manner as he/she may be directed under the Initial Proxy Form, and in respect of the resolution for the proposed re-election of Mr. Xiao as set out in the Supplemental Notice of AGM and the Revised Proxy Form, the proxy will be entitled to vote at his/her discretion or to abstain from voting on such resolution.
- (ii) If the Revised Proxy Form is lodged with the branch share registrar of the Company in Hong Kong before the Closing Time, the Revised Proxy Form will revoke and supersede the Initial Proxy Form previously lodged by him/her. The Revised Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.
- (iii) If the Revised Proxy Form is lodged with the branch share registrar of the Company in Hong Kong after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the Initial Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Initial Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time. If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.

RESPONSIBILITY STATEMENT

This supplemental 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 supplemental 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 supplemental circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed re-election of Mr. Xiao as an independent non-executive Director at the AGM is in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend that all Shareholders should vote in favour such resolution.

Shareholders are advised to read this supplemental circular together with the Circular for information relating to the voting arrangement.

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

SUPPLEMENTAL NOTICE OF AGM



南海控股有限公司*

NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

SUPPLEMENTAL NOTICE OF AGM

Reference is made to the notice of annual general meeting of Nan Hai Corporation Limited (the “**Company**”) dated 25 April 2016 (the “**Initial Notice**”), by which the annual general meeting of the Company (the “**AGM**”) will be held at the Atrium, 39/F, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 6 June 2016 at 10:45 a.m. and this supplemental notice shall be read together with the Initial Notice.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the following resolution will be considered and, if thought fit, approved (with or without modification) by shareholders of the Company (“**Shareholders**”) at the AGM, in addition to the proposed resolutions set out in the Initial Notice:

ORDINARY RESOLUTION

2. (d) To re-elect Mr. Xiao Sui Ning as an independent non-executive director of the Company.

By order of the Board
Nan Hai Corporation Limited
Chen Dan
Executive Director

Hong Kong, 17 May 2016

Notes:

1. Shareholder 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. Since the form of proxy for the AGM which was despatched on 25 April 2016 (the “**Initial Proxy Form**”) does not contain the newly-added resolution No. 2(d) as set out in this supplemental notice of AGM, a new form of proxy (the “**Revised Proxy Form**”) has been prepared and is enclosed with this supplemental notice of AGM. To be valid, the Revised Proxy Form, 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.

* For identification purpose only

SUPPLEMENTAL NOTICE OF AGM

3. A Shareholder who has not yet lodged the proxy form (the “**Initial Proxy Form**”) sent together with the Initial Notice with the branch share registrar is requested to lodge the proxy form (the “**Revised Proxy Form**”) sent together with this notice if he/she wishes to appoint proxy(ies) to attend the AGM on his/her behalf. In this case, the Initial Proxy Form should not be lodged with the branch share registrar of the Company.
4. A Shareholder who has already lodged the Initial Proxy Form with the branch share registrar of the Company should note that:
 - (i) If no Revised Proxy Form is lodged with the branch share registrar of the Company, the Initial Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy so appointed by the Shareholder shall be required to vote in such manner as he/she may be directed under the Initial Proxy Form, and in respect of the resolution for the proposed re-election of Mr. Xiao as set out in this supplemental notice and the Revised Proxy Form, the proxy will be entitled to vote at his/her discretion or to abstain from voting on such resolution.
 - (ii) If the Revised Proxy Form is lodged with the branch share registrar of the Company not less than 48 hours prior to the time appointed for holding the AGM (the “**Closing Time**”), the Revised Proxy Form will revoke and supersede the Initial Proxy Form previously lodged by him/her. The Revised Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.
 - (iii) If the Revised Proxy Form is lodged with the branch share registrar of the Company after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the Initial Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Initial Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time. If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.
5. The register of members will be closed from 31 May 2016 to 6 June 2016, 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 4:00 p.m. on 30 May 2016.
6. All resolutions at the AGM 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.
7. In respect of the proposed ordinary resolution No. 2(d) above, Mr. Xiao Sui Ning shall retire and, being eligible, has offered himself for re-election as an independent non-executive director of the Company at the above meeting. Details of Mr. Xiao are set out in the accompanied supplemental circular dated 17 May 2016.
8. Please refer to the Initial Notice for details of other resolutions to be proposed at the AGM and other relevant matters.
9. As at the date of this notice, the directors of the Company are Mr. Yu Pun Hoi, Ms. Chen Dan, Ms. Liu Rong, Mr. Wang Gang, Mr. Lam Bing Kwan, Prof. Jiang Ping, Mr. Lau Yip Leung and Mr. Xiao Sui Ning.