

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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Salon 2-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 8 June 2009 at 11:00 a.m. is set out on pages 14 to 17 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete and return the enclosed form of proxy to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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. 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.

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 Salon 2-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 8 June 2009 at 11:00 a.m., notice of which is set out on pages 14 to 17 of this circular or any adjournment thereof
“associates”	has the meaning as ascribed under the Listing Rules
“Board”	the board of 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 on the Stock Exchange
“Directors”	the directors of the Company for the time being
“Existing Mandates”	General mandates to issue and repurchase securities of the Company granted to the Directors at the annual general meeting held on 26 May 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 April 2009, 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
“Repurchase Resolution”	the resolution to be proposed at the AGM for the granting to the Directors of a general mandate to repurchase Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shareholders”	registered holders of Shares
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.



南海控股有限公司*

NAN HAI CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

Directors:

YU Pun Hoi (*Chairman*)

QIN Tian Xiang

CHEN Dan

WANG Gang

LIU Rong

LAM Bing Kwan[#]

HUANG Yaowen*

JIANG Ping*

LAU Yip Leung*

Principal place of business:

39/F., New World Tower I
16-18 Queen's Road Central
Hong Kong

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

[#] *Non-executive Director*

* *Independent Non-executive Directors*

30 April 2009

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
NOTICE OF ANNUAL GENERAL MEETING**

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 amount of Shares repurchased; and
- (2) the re-election of Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

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 (“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 (“Repurchase Mandate”); and
- (iii) add to the general mandate given to the Directors under sub-paragraph (i) above any Shares repurchased pursuant to the general mandate under sub-paragraph (ii) above up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the 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.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-Laws, Mr. Yu Pun Hoi, Ms. Chen Dan, Mr. Huang Yaowen and Prof. Jiang Ping shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-election at the forthcoming AGM. Particulars of these directors are set out in Appendix II to this circular.

In accordance with Bye-law 102 of the Bye-Laws, Mr. Wang Gang and Ms. Liu Rong may hold office only until the forthcoming AGM and, being eligible, will offer themselves for re-election at the forthcoming AGM. Particulars of these directors are set out in Appendix II to this circular.

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 14 to 17 of this circular. Whether or not you are able to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. 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.

LETTER FROM THE BOARD

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.

According to the amended Rule 13.39(4) of the Listing Rules which became effective on 1 January 2009, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure that the chairman of the AGM shall demand voting on all resolutions set out in the notice of AGM be taken by way of poll.

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 general mandate to issue, allot and repurchase Shares and the extend of the Issue Mandate, 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 of
Nan Hai Corporation Limited
Yu Pun Hoi
Chairman

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 are fully paid up.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company is HK\$686,450,357.94 comprising 68,645,035,794 Shares. As at the Latest Practicable Date, there were outstanding share options granted under the share option scheme entitling holders thereof to subscribe for an aggregate of 185,200,000 Shares, subject to acceptance of the grantees, of which details on exercisable period are as follows:

Number of share options	Exercisable period
89,800,000	01-01-2010 to 31-12-2010
95,400,000	01-01-2011 to 31-12-2011

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 allot and issue a maximum of 13,729,007,158 Shares under the Issue Mandate and to repurchase a maximum of 6,864,503,579 Shares under the Repurchase Mandate.

REASON 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 and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

As compared with the financial position of the Company as at 31 December 2008 (being the date to which its latest audited accounts 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 mandate granted pursuant to the passing of the Repurchase Resolution 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 ASSOCIATES AND CONNECTED PERSONS

To the best of the knowledge of the Directors have made all reasonable enquiries, none of the Directors nor any associates 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 connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has an intention to sell Shares to the Company nor has any connected person of the Company undertaken not to sell any of the Shares held by him/her 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 make repurchases 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 mandate granted by the passing of the Repurchase Resolution, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the 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 (including Macro Resources Limited) and CITIC Group, a party acting in concert with Mr. Yu, are totally interested in approximately 54.71% 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 and CITIC Group would be increased to approximately 60.79% 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 Code.

The Directors have undertaken not to make any repurchase in the circumstances that Shares in the hand of the public would fall below the relevant prescribed minimum percentage (i.e. 25%).

SHARE PRICES

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

	PER SHARE	
	Highest HK\$	Lowest HK\$
2008		
April	0.083	0.070
May	0.090	0.075
June	0.085	0.059
July	0.067	0.058
August	0.063	0.050
September	0.056	0.048
October	0.054	0.036
November	0.043	0.032
December	0.050	0.035
2009		
January	0.051	0.038
February	0.051	0.035
March	0.046	0.038
April (up to and including the Latest Practicable Date)	0.080	0.043

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.

PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED:**Mr. Yu Pun Hoi** – *executive director*

Mr. Yu Pun Hoi, aged 50, is the chairman of the Board, the chairman of executive committee of, and a controlling shareholder of the Company. Mr. Yu joined the Board of the Company in September 2000. In addition to Mr. Yu's chairmanship of the Company, he is the chairman of the Board of and of the executive committee of Sino-i Technology Limited ("Sino-i"), the listed subsidiary of the Company. Mr. Yu is also a director of a number of major subsidiaries of the Company and Sino-i. Mr. Yu through his own establishment and acquisition has extensive experience in different nature of businesses including property investment and development, information technology, and media.

Save as disclosed above, Mr. Yu has not held any positions with the Company and its group, nor held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Yu is entitled to receive a director's emoluments approximately of HK\$240,000 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. Yu 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.

Ms. Kung Ai Ming, the spouse of Mr. Yu, is the substantial shareholder of the Company. Save as disclosed above, Mr. Yu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yu is interested in 32,665,052,603 shares of the Company within the meaning of Part XV of the SFO.

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

Ms. Chen Dan – *executive director*

Ms. Chen Dan, aged 40, graduated from Beijing Finance & Trade College and conferred a Bachelor degree in Trade & Economics, and obtained a degree of EMBA in China Europe International Business School. Ms. Chen is also a qualified lawyer in China. Ms. Chen was working in Europe and obtained experience in various industries prior to joining the Group in October 2000. In February 2006, Ms. Chen has been appointed as an executive director and executive committee member of the Company. Ms. Chen is also an executive director, executive committee member and general manager of Sino-i, responsible for all the operations management within the Sino-i Group. Ms. Chen is also a director of a number of major subsidiaries of the Company and Sino-i.

Save as disclosed above, Ms. Chen has not held any positions with the Company and its group, nor held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Ms. Chen is not entitled to receive any director's emoluments from the Company.

Ms. Chen 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.

Ms. Chen does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Chen is interested in 32,000,000 shares of the Company and is also interested in a share option granted under the share option scheme of the Company entitling her to subscribe for 7,000,000 shares at an exercise price of HK\$0.0702 per share of the Company within the meaning of Part XV of the SFO.

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

Mr. Huang Yaowen – *independent non-executive director*

Mr. Huang Yaowen, aged 38, graduated from South West University of Politics and Laws in China and was conferred a Bachelor degree in Laws in 1992 and obtained a degree of EMBA in China Europe International Business School. Mr. Huang also holds a Master of Laws conferred by Central Parties School in the PRC and is a registered attorney at law in China. Mr. Huang is the executive partner of Kai Wen Law Firm which is Chinese commercial law firms in the PRC. On 14 February 2006, Mr. Huang joined the Board of the Company and was appointed as chairman of audit committee and remuneration committee of the Company. Mr. Huang is also an independent non-executive director and chairman of audit committee and remuneration committee of Sino-i.

Save as disclosed above, Mr. Huang has not held any positions with the Company and its group, nor held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Huang is entitled to receive a director's emoluments approximately of RMB120,000 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. Huang 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.

Mr. Huang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Huang does not have any interests in the shares within the meaning of Part XV of the SFO.

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

Prof. Jiang Ping – *independent non-executive director*

Prof. Jiang Ping, aged 78, graduated from Moscow University with a Bachelor degree in Laws in 1956. Prof. Jiang is the lifetime professor of China University of Political Science and Law, and conducts lectures for doctoral degree class in civil and commercial laws. Prof. Jiang is the honorary president of China Comparative Law Research Centre; chairman of Beijing Arbitration Commission; vice-president of China Consumers' Association; and counsellor and member of committee of experts in China International Economic and Trade Arbitration Commission. On 14 February 2006, Prof. Jiang joined the Board of the Company and was appointed as member of audit committee and remuneration committee of the Company. Prof. Jiang is also an independent non-executive director and member of audit committee and remuneration committee of Sino-i.

Save as disclosed above, Prof. Jiang has not held any positions with the Company and its group, nor held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Prof. Jiang is entitled to receive a director's emoluments approximately of RMB180,000 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.

Prof. Jiang 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.

Prof. Jiang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Prof. Jiang does not have any interests in the shares within the meaning of Part XV of the SFO.

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

Mr. Wang Gang – *executive director*

Mr. Wang Gang, aged 53, graduated from Capital University of Economics and Business in China and also got an MBA degree from National University of Singapore. Prior to joining the Group, Mr. Wang worked in the headquarters of China Agricultural Bank, and was appointed as a general manager working in the bank's branch office in Singapore for 5 years. Mr. Wang joined the Group in December 2007 and was appointed as a director and deputy general manager of Shenzhen Nanhai Yitian Realty Company Limited ("Nanhai Yitian"), a subsidiary of the Company. In February 2009, Mr. Wang was appointed as a general manager of Nanhai Yitian, responsible for the related business in property development of "The Peninsula". Mr. Wang was appointed as an executive director and executive committee member of the Company on 10 March 2009. Mr. Wang is also an executive director and executive committee member of Sino-i, and a director of a number of major subsidiaries of the Company.

Save as disclosed above, Mr. Wang has not held any positions with the Company and its group, nor held any other directorships in listed public companies in Hong Kong or overseas for the last three years.

Mr. Wang is entitled to receive a director's emoluments approximately of RMB756,000 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. Wang 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.

Mr. Wang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wang is interested in 8,500,000 shares of the Company within the meaning of Part XV of the SFO.

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

Ms. Liu Rong – *executive director*

Ms. Liu Rong, aged 37, graduated from the Law School of Anhui University in 1993 and obtained a degree of Bachelor of Laws, got her Master of Laws in 2002 conferred by the Law Institute of Chinese Academy of Social Science, and is a qualified lawyer in China. Prior to joining the Group, Ms. Liu worked in Chinese government departments and law firms. Ms. Liu joined the Sino-i Group in April 2002 as a company secretarial manager, responsible for corporate affairs, investments and mergers and acquisitions of Sino-i Group in China. In 2007, Ms. Liu was appointed as a general manager of Dadi Media (HK) Limited, a wholly-owned subsidiary of the Company, responsible for all the related businesses in culture and media. Ms. Liu has been appointed as an executive director and executive committee member of the Company on 10 March 2009. Ms. Liu is also an executive director and executive committee member of Sino-i, and a director of a number of major subsidiaries of the Company and Sino-i.

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

Ms. Liu is entitled to receive a director's emoluments approximately of RMB624,000 per annum determined with reference to her duties and responsibilities within the Company, and is subject to review by the Board from time to time.

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.

Ms. Liu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Liu is interested in a share option granted under the share option scheme of the Company entitling her to subscribe for 7,000,000 shares at an exercise price of HK\$0.0702 per share of the Company within the meaning of Part XV of the SFO.

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.

Save for the foregoing, the Board are 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 Salon 2-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 8 June 2009 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the Reports of the Directors and Auditors for the year ended 31 December 2008.
2. To re-elect the retiring Directors and to authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint the retiring Auditors and to authorize the Board of Directors to fix their remuneration.

ORDINARY RESOLUTIONS

4. As Special Business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions of the Company:

“THAT

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to allot, issue or grant securities convertible into such shares, or options, warrants or similar rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such power whether during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the directors of the Company and shall authorize such directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital 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 defined below); (ii) an issue of shares as scrip dividends 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 in the Company, shall not exceed 20% of the nominal amount of the issued share capital of the Company 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 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 law or the bye-laws of the Company to be held; and
- (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.

NOTICE OF ANNUAL 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).”

5. “THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital 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 be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (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 purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is 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 law or the bye-laws of the Company to be held; and
 - (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.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** subject to the passing of Resolutions numbered 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to issue and dispose of additional shares pursuant to Resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution numbered 5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By order of the Board
Watt Ka Po James
Company Secretary

Hong Kong, 30 April 2009

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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, 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 2 June 2009 to 8 June 2009, 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 1 June 2009.
4. As at the date of this notice, the directors of the Company are Mr. Yu Pun Hoi, Mr. Qin Tian Xiang, Ms. Chen Dan, Mr. Wang Gang, Ms. Liu Rong, Mr. Lam Bing Kwan, Mr. Huang Yaowen, Prof. Jiang Ping and Mr. Lau Yip Leung.