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NAN HAI CORPORATION LIMITED

南海控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 680)

SINO-i TECHNOLOGY LIMITED

中國數碼信息有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

JOINT ANNOUNCEMENT

**Discloseable Transaction for
Nan Hai Corporation Limited**

and

**Major and Connected Transaction for
Sino-i Technology Limited**

and

**Resumption of Trading in the shares of
Sino-i Technology Limited**

The directors of Nan Hai and Sino-i jointly announce that, on 13 November 2007 after trading hour, Nan Hai and Sino-i entered into the Agreement under which Sino-i will sell or procure the sale of, and Nan Hai will purchase, the Listar Sale Shares, representing 51% of the issued share capital of Listar, for a total consideration of HK\$1,645,530,000 to be satisfied in cash on Completion. Completion is conditional on the fulfilment of certain conditions described below.

Listar's principal business is the holding, through the Joint Venture, of the Properties for development. As at the date of this announcement, Sino-i and Robina Profits Limited, a wholly owned subsidiary of Sino-i, respectively, hold 1% and 50% of the issued share capital of Listar, and South Sea Development (HK) Limited, a wholly owned subsidiary of Nan Hai directly holds the remaining 49% of the issued share capital of Listar. Nan Hai, through a number of wholly owned subsidiaries, holds approximately 62.85% of the issued share capital of Sino-i.

The Transaction constitutes a discloseable transaction for Nan Hai and a major transaction for Sino-i and, as Nan Hai is the holding company of Sino-i, it also constitutes a connected transaction for Sino-i under the Listing Rules and will be subject to the approval of the Independent Shareholders at an extraordinary general meeting to be convened for approving the Transaction will be taken by poll vote. Nan Hai and its associates will abstain from voting on the resolution to approve the Agreement.

* *For identification purposes only*

Circulars of Nan Hai and Sino-i containing, amongst others, details of the Transaction and, in the case of Sino-i, a notice convening an extraordinary general meeting of Sino-i, will be despatched to their respective shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the shares of Sino-i on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 November 2007 at the request of the Company pending the publication of this announcement. An application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 November 2007.

AGREEMENT

Date

13 November 2007

Parties

Vendor : Sino-i

Purchaser : Nan Hai

Assets to be sold and acquired

Nan Hai will purchase and Sino-i will sell or procure the sale to Nan Hai or any of its subsidiary:

1. Listar Sale Shares; and
2. The inter-company loan of Listar due to Sino-i Group in an aggregate amount of HK\$933,958,000 as at 30 September 2007.

Before disposal of Listar Sale Shares:

Both Nan Hai and Sino-i consolidate the accounts of Listar by means of “Purchase Method” under HKFRS 3 - Business Combinations and HKAS 27 - Consolidated and Separate Financial Statements. The reason for consolidation of the accounts of Listar by Sino-i is that Listar is a subsidiary of Sino-i (Sino-i owns 51% issued share capital of Listar), and the reason for consolidation of the accounts of Listar by Nan Hai is that Sino-i is a listed subsidiary of Nan Hai (Nan Hai owns about 62.85% issued share capital of Sino-i), and Nan Hai directly owns 49% issued share capital of Listar. By taking into account of the both direct and indirect shareholding (thru Sino-i), Nan Hai has an ultimate interest of over 81% in the issued share capital of Listar, therefore, the accounts of Listar are also consolidated in Nan Hai’s consolidated accounts.

After disposal of Listar Sale Shares:

Upon disposal of 51% issued share capital of Listar, Listar will no longer be a subsidiary of Sino-i, therefore, the accounts of Listar will not be consolidated in Sino-i's consolidated accounts. On the other hand, Listar will be a wholly-owned subsidiary of Nan Hai, so its accounts will be consolidated in Nan Hai's consolidated accounts.

Consideration

The total consideration shall be a sum of HK\$1,645,530,000 to be satisfied in cash within eighteen months upon Completion or any other date to be mutually agreed by Sino-i and Nan Hai together with interest accrued on the Consideration (or any part thereof) remains unpaid following Completion at a rate of 8% per annum.

Basis

The Consideration agreed between the parties after arm's length negotiations by reference to (i) 51% of the total fair market value of the Listar Group as at 30 September 2007; and (ii) the amount of inter-company account of Listar Group as at 30 September 2007 and was determined on the following bases:

1. 51% issued share capital of Listar for HK\$711,572,000

Listar Group has 100% effective interest in the Properties. According to a valuation report conducted by an independent valuer, Vigers Appraisal and Consulting Limited, the fair market value of the Properties on 30 September 2007 was RMB2,200,000,000 (equivalent to about HK\$2,285,239,000). As per the valuation report, the valuer has valued the Properties by Direct Comparison Approach and made reference to comparable transactions in the locality and has also taken into account the construction costs that will be expended to complete the development to reflect the building quality. By taking into account of the book value of the Properties of about HK\$1,070,760,000, there is a valuation gain in the Properties of about HK\$1,214,479,000. The total fair market value of Listar Group as at 30 September 2007 is about HK\$1,395,239,000 which is calculated by the summation of the net asset value of Listar Group as at 30 September 2007 (i.e. HK\$180,760,000) and the valuation gain in the Properties (i.e. HK\$1,214,479,000). The total fair market value of Listar Group remains unchanged as of the date of this announcement. 51% of the fair market value of Listar Group as at 30 September 2007 is about HK\$711,572,000. Upon Completion, Sino-i is expected to result in a gain on disposal of about HK\$639,951,000 after taking into account of valuation gain on 51% of the Properties of about HK\$619,384,000 and a capital reserve and exchange reserve in an aggregate amount of about HK\$20,567,000.

2. The inter-company account of Listar Group as at 30 September 2007 due to the Sino-i Group amounting to about HK\$933,958,000.

Source of funding

Nan Hai intends to fund the entire Consideration through its internal resources, including the sales proceeds to be generated from the sale of the Phase II of its property project, The Peninsula, in Shekou, Shenzhen.

Intended application of proceeds

Sino-i intends to use the sale proceeds to be derived from the Transaction for general working capital and/or future expanding its IT operations in China, but details of the usage of the sale proceeds has yet determined.

Pledge of Listar Sale Shares

Pending full settlement of the Consideration and the accrued interest thereon by Nan Hai, the Listar Sale Shares will be pledged by Nan Hai in favour of Sino-i and, to this end, Nan Hai shall deposit with Sino-i, the share certificates representing the Listar Sale Shares together with duly-executed transfers in respect of the Listar Sale Shares.

Conditions

Completion is conditional upon:

- (a) Nai Hai having received from its PRC legal advisers a legal opinion, in form and substance reasonably satisfactory to it, covering such matters relevant to the Joint Venture, the Properties and the Transaction as it may reasonably require; and
- (b) the Independent Shareholders having approved the Agreement and the Transaction and the implementation thereof in accordance with the provisions of the Listing Rules.

If the conditions set out above are not fulfilled by a date falling ninety days after the date of the Agreement, being 11 February 2008, or such later date as the parties may agree, the Agreement will be null and void and of no further effect.

Completion

Completion is expected to take place on the fifth business day after the fulfilment of the conditions described above (or such other date as the parties may agree).

INFORMATION ON NAN HAI

Nan Hai is an investment holding company listed on the Main Board of the Stock Exchange. The Nan Hai Group is principally engaged in property investment and development and, through the Sino-i Group, also in the information technology business. As at the date of this announcement, Nan Hai, through a number of wholly-owned subsidiaries, held approximately 62.85% of the issued share capital of Sino-i.

INFORMATION ON SINO-i

Sino-i is an investment holding company listed on the Main Board of the Stock Exchange. The Sino-i Group is principally engaged in the information technology business, including the provision of corporate IT application services, financial information and related services and distance learning and application services, property investment and development.

INFORMATION ON LISTAR, JOINT VENTURE AND THE PROPERTIES

Listar Group

Listar Properties Limited, an investment holding company incorporated in the British Virgin Islands, through its wholly owned subsidiary, effectively holds a 100% interest in the Joint Venture. (Further details are set out in the sub-section headed “Joint Venture” below.) Aside from its interest in the Joint Venture, Listar has no material asset nor conducts any business.

As at the date of this announcement, Sino-i and Robina Profits Limited, a wholly-owned subsidiary of Sino-i, respectively, hold 1% and 50% of the issued share capital of Listar, and South Sea Development (HK) Limited, a wholly owned subsidiary of Nan Hai, directly holds the remaining 49% of the issued share capital of Listar. Listar will cease to be a subsidiary of Sino-i upon Completion.

The audited consolidated net loss of Listar Group (before and after taxation and extraordinary items) for the two financial years ended 31 December 2005 and 31 December 2006 was the same of about HK\$1,127,000 and HK\$2,184,000 respectively. The unaudited consolidated net asset value of Listar Group as at 30 September 2007 was about HK\$180,760,000.

Joint Venture

The Joint Venture is a Sino-foreign cooperative joint venture enterprise established under PRC laws in 1993. A wholly owned subsidiary of Listar (the foreign party to the Joint Venture) and 廣州市花都富華房地產開發有限公司 (Guangzhou Hua Du Fu Hua Property Development Co., Ltd.) (the PRC party to the Joint Venture) are registered holders of 70% and 30% equity interests in the Joint Venture, respectively. The PRC party has waived all its 30% equity interest in the Joint Venture, including profit-sharing and control, effectively allowing Listar’s subsidiary to control the entire equity interest in the Joint Venture and the latter forming an indirect wholly owned subsidiary of Listar.

The Joint Venture has a registered capital of US\$14,000,000 (equivalent to approximately HK\$109,200,000) all of which is fully paid. The Joint Venture is principally engaged in the holding of the Properties for development. Aside from the Properties, it holds no material asset and conducts no other business.

Properties

The Properties comprise five plots of land with gross area of approximately 615,254 square metres located at Guang Hua Gong Lu, Hua Du City, Guangdong Province, PRC (廣東省花都市廣花公路, 花縣新華鎮東鏡村面北片). Upon full settlement of the land premium of RMB168,122,227.85 in January 2005, the Joint Venture obtained all the land use right certificates in respect of the five plots of land.

The approved gross floor area of the Properties amounted to 1,031,371 square meters, of which 960,044 square meters will be used for residential development, 35,590 square meters will be used for commercial development, and 35,737 square meters will be used for other facilities such as club house and public area.

REASONS FOR THE TRANSACTION

For Nan Hai

The management of Nan Hai has always been determined to unlock the intrinsic value of the company to maximise shareholders' return. The completion of the corporate restructuring between Nan Hai and Sino-i in August 2005 signifies the group's commitment to achieving a more focus business line for each of the two companies.

Nan Hai focuses on property development and investment in China with a proven track record of success as evidenced, among other things, from the selling out of the first phase of its large scale property project, "The Peninsula", last year, the pre-sale of which started in February 2006 and all of which 1,012 units were sold within 5 days.

Meanwhile, Sino-i continues its IT operations in China. By acquiring Listar Sale Shares i.e. 51% Guangzhou project serves the best interest for both companies given all of the property related resources such as personnel, industry expertise and funding capability will all be in Nan Hai.

Upon completion of the Transaction, Nan Hai shall have a complete property portfolio in China for its future development.

The directors of Nan Hai (including independent non-executive directors) believe that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of Nan Hai as a whole.

For Sino-i

Sino-i has traditionally engaged in the IT business sector in China. Its only involvement in the China property sector was through its former listed subsidiary, Nan Hai, prior to the corporate restructuring which was completed in August 2005.

Similar to the Nan Hai project in Shenzhen, the "Peninsula", the Guangzhou project is a large scale property development with gross floor area of over 1 million square meters. However, a lack of property industry know-how and resources on the part of Sino-i makes it difficult for Sino-i to handle any property projects independently.

The IT business in China is also becoming increasingly competitive. The management believes it is in the best interests of Sino-i to dispose of its 51% interest in the Guangzhou project and focus on its IT business in China in order to maintain its existing strong market position. Further, the sales proceeds from the disposal will enable Sino-i to further expand its IT operations in China.

The directors of Sino-i (excluding the independent non-executive directors whose views will be subject to the opinion of an independent financial adviser to be appointed in connection with the Transactions) believe that the terms of the Transaction are fair and reasonable, on normal commercial terms, and in the interests of the shareholders of Sino-i as a whole.

As Mr. Huang Yaowen and Prof. Jiang Ping, two of the four independent non-executive directors of Sino-i, are also the independent non-executive directors of Nan Hai, they are not considered sufficiently independent to give any advice or recommendation to the Independent Shareholders in relation to the Transaction. Accordingly, Mr. Chan Lap Stanley and Mr. Fung Wing Lap, the remaining independent non-executive directors of Sino-i, have been appointed as the independent board committee to advise the Independent Shareholders, and the independent financial advisor has been appointed to advise those two remaining independent directors in the Transaction.

GENERAL

The Transaction constitutes a discloseable transaction for Nan Hai under the Listing Rules. A circular of Nan Hai containing, amongst other things, details of the Transactions, will be despatched to its shareholders as soon as practicable.

The Transaction constitutes a major transaction for Sino-i and, as Nan Hai is the holding company of Sino-i, it also constitutes a connected transaction for Sino-i under the Listing Rules and will be subject to the approval of the Independent Shareholders at an extraordinary general meeting of Sino-i to be convened to consider and, if thought fit, approve the Transaction. Nan Hai and its associates will abstain from voting on the resolution to approve the Transaction.

An independent board committee of Sino-i will be constituted to give recommendations to the Independent Shareholders in respect of the Transaction. An independent financial adviser will also be appointed to advise the independent board committee. A circular of Sino-i containing, amongst other things, details of the Transactions, the recommendation of the independent board committee and the advice of the independent financial adviser, together with a notice convening an extraordinary general meeting of Sino-i, will be despatched to its shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the shares of Sino-i on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 November 2007 at the request of the Company pending the publication of this announcement. An application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 November 2007.

DEFINITIONS

“Agreement”	a conditional agreement entered into between Sino-i as vendor and Nan Hai as purchaser on 13 November 2007 in connection with the sale and purchase of the Listar Sale Shares
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Completion”	completion of the Agreement
“Consideration”	the consideration payable by Nan Hai to Sino-i or any other party as it may direct for the Listar Sale Shares under the Agreement

“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Shareholders”	shareholders of Sino-i (other than Nan Hai and its associates)
“Joint Venture”	廣州東鏡新城房地產有限公司 (Guangzhou Dongjing Xincheng Properties Co., Ltd.), a Sino-foreign cooperative joint venture enterprise established under the laws of the PRC and a subsidiary of Listar
“Listar”	Listar Properties Limited, a company incorporated in the British Virgin Islands with limited liability
“Listar Group”	Listar and its subsidiaries
“Listar Sale Shares”	10,200,000 shares of US\$1.00 each in Listar, representing 51% of its issued share capital
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Nan Hai”	Nan Hai Corporation Limited, a company incorporated in Bermuda with limited liability, the ordinary share capital of which is listed on the Stock Exchange and the holding company of Sino-i
“Nan Hai Group”	Nan Hai and its subsidiaries
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Administrative Region and Taiwan for the purpose of this announcement
“Properties”	the properties of the Joint Venture in the PRC
“Sino-i”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability the ordinary share capital of which is listed on the Stock Exchange and a subsidiary of Nan Hai
“Sino-i Group”	Sino-i and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale by Sino-i and the purchase by Nan Hai of the Listar Sale Shares pursuant to the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rates of RMB1 = HK\$0.96 and HK\$1.00 = US\$7.8 have been used for currency translation, where applicable. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amounts in HK\$, RMB or US\$ have been, could have been or may be converted at such or any other rates.

By Order of the Board of
Nan Hai Corporation Limited
Qin Tian Xiang
Director

By Order of the Board of
Sino-i Technology Limited
Chen Dan
Director

Hong Kong, 14 November 2007

As at the date of this announcement, the directors of Nan Hai are:

Executive directors:

Mr Yu Pun Hoi

Mr Qin Tian Xiang

Ms Chen Dan

Non-executive directors:

Mr Yu Lin Hoi

Mr Lam Bing Kwan

Independent non-executive directors:

Mr Huang Yaowen

Prof. Jiang Ping

Mr Lau Yip Leung

As at the date of this announcement, the directors of Sino-i are:

Executive directors:

Mr Yu Pun Hoi

Mr Qin Tian Xiang

Ms Chen Dan

Non-executive directors:

Mr Luo Ning

Mr Lam Bing Kwan

Independent non-executive directors:

Mr Huang Yaowen

Prof. Jiang Ping

Mr Chan Lap Stanley

Mr Fung Wing Lap