

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 circular.



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
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 Salon 1–3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 at 11:00 a.m. is set out on pages 14 to 18 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 Salon 1–3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 at 11:00 a.m. or any adjournment thereof, notice of which is set out on pages 14 to 18 of this circular
“associates”	has the same meaning as ascribed under the Listing Rules
“Board”	the board of the Directors of the Company
“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 30 May 2018
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2019, 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
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time

DEFINITIONS

“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. LAM Bing Kwan[#]
Mr. LUNG King Cheong[#]
Mr. LAU Yip Leung*
Mr. XIAO Sui Ning*
Mr. HO Yeung Nang*

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

[#] *Non-executive Directors*

* *Independent non-executive Directors*

29 April 2019

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
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; and
- (3) the declaration and payment of final dividend.

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 Shares on the Stock Exchange 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, Mr. Lau Yip Leung and Mr. Ho Yeung Nang shall retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

In accordance with Bye-Law 99 of the Bye-Laws, Mr. Lung King Cheong (“**Mr. Lung**”) shall retire by rotation at the AGM. He will not offer himself for re-election at the AGM due to his decision to devote more time to his personal endeavours. Mr. Lung confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to his retirement from the Board.

Pursuant to the Code Provision A.4.3 of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules, any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by the shareholders. 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. Mr. Lau Yip Leung has, over time, gained valuable insights and experience in the Group’s business. The Board believes that Mr. Lau Yip Leung will continue to bring diversity to the Board given in particular his experience as a certified public accountant and regard the re-appointment of Mr. Lau Yip Leung as an independent non-executive Director will benefit the Company and its shareholders as a whole.

Alongside the other independent non-executive Directors, Mr. Ho Yeung Nang contributes to ensuring that the interests of all the Shareholders are taken into account. The Company has received written confirmation from Mr. Ho Yeung Nang confirming his independence in accordance with the Listing Rules. Accordingly, the Board has resolved that Mr. Ho Yeung Nang continues to be independent, and the Board recommends him to be re-elected as an independent non-executive Director at the AGM.

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 0.15 HK cents per Share for the year ended 31 December 2018 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 31 July 2019 to Shareholders whose names appear on the register of members of the Company on 4 June 2019.

LETTER FROM THE BOARD

The register of members of the Company will also be closed from 5 June 2019 to 6 June 2019, 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 4 June 2019.

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 18 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 branch 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.

The register of members will be closed from 27 May 2019 to 30 May 2019, 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 AGM. 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 24 May 2019.

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

LETTER FROM THE BOARD

- (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 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 retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate and the declaration and payment of final dividend 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 under 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 between the Latest Practicable Date and the date of 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 as a whole. 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 2018 (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 59.25% 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 65.83% 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:

	PER SHARE	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	0.218	0.198
May	0.214	0.180
June	0.215	0.175
July	0.204	0.179
August	0.196	0.171
September	0.200	0.175
October	0.203	0.180
November	0.185	0.172
December	0.204	0.140
2019		
January	0.200	0.160
February	0.178	0.162
March	0.174	0.155
April (up to and including the Latest Practicable Date)	0.167	0.150

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 47, 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 a member of executive committee of the Company since March 2009, a member of nomination committee since March 2017, and the chief executive officer of the Company in February 2018. Ms. Liu is responsible for the businesses in culture and media services of the Group.

Ms. Liu is also the chairlady of the board, the chairlady of nomination committee and a director of a number of subsidiaries of Sino-i, and the director and/or general manager 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 fees for her appointment as an executive Director but will receive remuneration for her management positions within the Group. 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 entered into a service contract with the Company on 25 May 2017 for a term of two years 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 new service contract with Ms. Liu for another 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 interest 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 58, 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, The Institute of Chartered Accountants in England and Wales, and the Hong Kong Institute of Certified Public Accountants. Mr. Lau is a certified public accountant in Hong Kong and started his public practice business in 1998. He is now the person-in-charge of Messrs. Fung Lau & Company, Certified Public Accountants.

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 the 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 entered into a service contract with the Company on 25 May 2017 for a term of two years 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 another 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 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. Lau 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 69, 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 and engaged 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.

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 entered into a service contract with the Company on 25 May 2017 for a term of two years 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. Ho for another 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 Salon 1–3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 at 11:00 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 2018.
2. To declare and pay the final dividend of the Company for the year ended 31 December 2018.
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. Ho Yeung Nang as an independent non-executive director of the Company.
 - (d) 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*

NOTICE OF ANNUAL GENERAL MEETING

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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

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

Hong Kong, 29 April 2019

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. Where there are joint registered holders of any share of the Company, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.
3. 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.
4. The register of members will be closed from 27 May 2019 to 30 May 2019, 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

NOTICE OF ANNUAL GENERAL MEETING

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 24 May 2019.

5. The register of members of the Company will also be closed from 5 June 2019 to 6 June 2019, 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 4 June 2019. The final dividend is payable on or before 31 July 2019 to the Shareholders whose names appear on the register of members on 4 June 2019.
6. 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.
7. In respect of the ordinary resolution numbered 3 above, Ms. Liu Rong, Mr. Lau Yip Leung 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 29 April 2019.
8. 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.
9. 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 29 April 2019.
10. If a tropical cyclone warning signal no. 8 or above is hoisted or black rainstorm warning signal is in force in Hong Kong at or after 6:00 a.m. on the date of the annual general meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and the Company's website (www.nanhaicorp.com) to notify shareholders of the date, time and venue of the rescheduled meeting.
11. As at the date of this notice, the directors of the Company are Mr. Yu Pun Hoi, Ms. Liu Rong, Mr. Lam Bing Kwan, Mr. Lung King Cheong, Mr. Lau Yip Leung, Mr. Xiao Sui Ning and Mr. Ho Yeung Nang.