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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)

## QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by Nan Hai Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company (i) dated 16 March 2022 in relation to the date of meeting of the board of directors of the Company (the “**Directors**”) (the “**Board**”) and publication of the 2021 unaudited annual results of the Company; (ii) dated 30 March 2022 in relation to, amongst others, postponement of Board meeting and delay in publication of the 2021 unaudited annual results of the Company; (iii) dated 1 April 2022 in relation to suspension of trading in shares of the Company (the “**Shares**”) (the “**Suspension**”); (iv) dated 29 April 2022 in relation to, amongst others, further delay in publication of the 2021 audited annual results of the Company; (v) dated 6 June 2022 in relation to certain inside information of the Company; (vi) dated 30 June 2022 for quarterly update of the Suspension; (vii) dated 13 July 2022 in relation to the resumption guidance set out by the Stock Exchange (the “**Resumption Guidance**”); and (viii) dated 9 August 2022 in relation to delay in publication of the 2022 unaudited interim results of the Company.

### THE RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 13 July 2022, the Stock Exchange has set out the following Resumption Guidance for the Company:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) conduct the independent internal control investigation requested by BDO Limited (the “**Independent Investigation**”), announce the findings and take appropriate remedial actions;

\* For identification purposes only

- (iii) conduct an independent internal control review (the “**IC Review**”) to demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules;
- (iv) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (v) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Board wishes to update the shareholders and potential investors of the Company on the progress of the Company’s fulfilment of the Resumption Guidance as at the date of this announcement as summarized below:

### **Update on the outstanding financial information**

As disclosed in the announcements of the Company dated 16 March 2022, 30 March 2022, 29 April 2022 and 9 August 2022, publication of the 2021 audited annual results and the 2022 unaudited interim results of the Company, and despatch of the 2021 annual report and the 2022 interim report of the Company were delayed, pending completion of audit of the consolidated financial statements of the Company for the year ended 31 December 2021. The finalization and publication of the 2021 audited annual results and the 2022 unaudited interim results of the Company, and despatch of the 2021 annual report and the 2022 interim report of the Company will continue to be delayed as additional time is required to complete the audit. The Company will make further announcement(s) to update its shareholders and potential investors on the date of publication of the 2021 audited annual results and the 2022 unaudited interim results of the Company, and the date of despatch of the 2021 annual report and the 2022 interim report of the Company as and when appropriate.

### **Update on the Independent Investigation and the IC Review**

In April 2022, the Company engaged 深圳源豐會計師事務所有限公司 to conduct the Independent Investigation. The scope of the Independent Investigation was disclosed in the announcement of the Company dated 6 June 2022.

Subsequently in August 2022, the Company engaged BT Corporate Governance Limited to conduct the IC Review. The scope of the IC Review includes (i) review of compliance procedures on certain Listing Rules and regulations; (ii) entity-level review under the COSO system; (iii) activity-level review, such as financial close and reporting process, revenue and receipts, procurement and payments, inventory management, bank and cash management, fixed assets management, human resources and payroll process and taxation; and (iv) review on information technology general control.

As at the date of this announcement, both of the Independent Investigation and the IC Review are still on-going. The Company will make further announcement(s) to update its shareholders and potential investors on the progress and findings of the Independent Investigation and the IC Review as and when appropriate.

## **BUSINESS UPDATE**

The Group is principally engaged in (i) culture and media services (mainly in cinemas business on a nationwide basis in China and other media related businesses); (ii) property development; and (iii) enterprise cloud services. In the meantime, the Group is also engaged in news media business and innovative business.

Due to the repeated outbreak of the COVID-19 pandemic in different regions in the PRC in 2022, the Group continues to face challenges in its different business segments, especially its culture and media services business and property development business. The Group has taken a number of measures to continuously optimize its business and organizational structure to reduce operating and management costs. The Board also wishes to point out that, notwithstanding the Suspension, the Group is carrying on its business operations as usual to the extent possible under the adverse effect brought by the COVID-19 pandemic. The Board will continue to assess and monitor the impact of the COVID-19 pandemic and the Suspension (if any) on the operation and financial performance of the Group. The Company will take appropriate measures as necessary and make further announcement(s) as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until the Company fulfils the Resumption Guidance.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

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

*Executive Director and Chief Executive Officer*

Hong Kong, 30 September 2022

*As at the date of this announcement, the directors of the Company are as follows:*

*Executive directors:*

Mr. Yu Pun Hoi

Ms. Liu Rong

*Non-executive director:*

Mr. Lam Bing Kwan

*Independent non-executive directors:*

Mr. Lau Yip Leung

Mr. Xiao Sui Ning

Mr. Ho Yeung Nang