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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)

PROFIT WARNING

This announcement is made by Nan Hai Corporation Limited (the “**Company**”, and together with its subsidiaries, collectively as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that the Group’s profit for the year ended 31 December 2018 is expected to be 25% to 44% lower than the profit of HK\$1,602.4 million for the year ended 31 December 2017.

The Board considered that the expected decrease was primarily due to: i. the impairment of goodwill and assets arising from the re-adjustment of the business model of the Group’s “Crabtree & Evelyn” business, the sale of backlog of inventories at a discount and the closure of some of the traditional offline retail outlets; and ii. increase in financing costs.

The information contained in this announcement is solely based on a preliminary assessment by the management of the Company on the unaudited consolidated management accounts of the Group, which have not been audited or reviewed by the auditors of the Company, and is therefore subject to change. Such financial information will be subject to finalization and necessary adjustments. The annual results announcement of the Group for the year ended 31 December 2018 is expected to be published later this month and the corresponding 2018 annual report will be published subsequently.

* For identification purpose only

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Nan Hai Corporation Limited
Liu Rong
Executive Director

Hong Kong, 6 March 2019

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Yu Pun Hoi

Ms. Liu Rong

Non-executive Directors:

Mr. Lam Bing Kwan

Mr. Lung King Cheong

Independent non-executive Directors:

Mr. Lau Yip Leung

Mr. Xiao Sui Ning

Mr. Ho Yeung Nang