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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)

LEGAL PROCEEDINGS

This announcement is made by Nan Hai Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 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 Board meeting and publication of 2021 Unaudited Annual Results; (ii) dated 30 March 2022 in relation to the non-publication of 2021 Unaudited Annual Results; (iii) dated 1 April 2022 in relation to the suspension of trading; (iv) dated 29 April 2022 in relation to, among other things, further delay in publication of 2021 Audited Annual Results; (v) dated 6 June 2022 in relation to inside information; and (vi) dated 30 June 2022 in relation to quarterly update on suspension of trading (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

LEGAL PROCEEDINGS

The Board of the Company announces that on 5 July 2022, China Merchants Bank Co., Ltd. (“**CMB**”) has commenced legal proceedings in Hong Kong against True Vision Limited (“**True Vision**”), a wholly-owned subsidiary of the Company claiming for, amongst other things, the payment of US\$53,403,824.17 being the outstanding indebtedness (under a facility agreement originally entered into between (amongst other) CMB and True Vision on 7 February 2018 (the “**Facility Agreement**”)) and interest thereon. CMB has also sought a declaration that it is entitled to enforce the charge over assets that True Vision has provided as security for its obligations under the Facility Agreement, namely, 100% shareholding of City Entertainment Corporation Limited which holds certain cinema assets in the PRC.

* For identification purpose only

CMB has also separately commenced legal proceedings against the Company and Mr. Yu Pun Hoi (the chairman and controlling shareholder of the Company) respectively in their capacity as guarantors of True Vision's liabilities and obligations under or in connection with the Facility Agreement.

The Group has been in discussion with CMB in connection with the above and discussions are on-going on restructuring the Group's obligations under the Facility Agreement.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited have been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

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

Hong Kong, 7 July 2022

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

| | | |
|-----------------------------|--------------------------------|---|
| <i>Executive directors:</i> | <i>Non-executive director:</i> | <i>Independent non-executive directors:</i> |
| Mr. Yu Pun Hoi | Mr. Lam Bing Kwan | Mr. Lau Yip Leung |
| Ms. Liu Rong | | Mr. Xiao Sui Ning |
| | | Mr. Ho Yeung Nang |