

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



**南海控股有限公司\***  
NAN HAI CORPORATION LIMITED  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 680)

## **INSIDE INFORMATION**

This announcement is made by the Company pursuant to Rules 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

References are made to the Company's announcement dated 11 November 2016 and circular dated 19 December 2016 regarding the discloseable and connected transaction in relation to the transfer of 10% equity interest in Guangdong Dadi (the "**Guangdong Dadi Equity Transfer**"); and Company's announcement dated 26 February 2018 and circular dated 28 March 2018 regarding the entrusted fund contract and entrusted loan contract whereby an indirect wholly-owned subsidiary of the Company entrusted a trust company with the entrusted fund for the purposes of granting an entrusted loan in the principal amount of RMB148,500,000 to Dadi Dreamworks, with a term of five years.

The Guangdong Dadi Equity Transfer was entered into to establish an equity incentive platform for core employees of Guangdong Dadi. Dadi Dreamworks had obtained funds from a third party to settle the consideration for the Guangdong Dadi Equity Transfer. In order to serve the purpose of alleviating the financial burden in servicing the loans that the employees had previously obtained to settle the consideration payable for the Guangdong Dadi Equity Transfer, the Company had provided an interest-free entrusted loan to Dadi Dreamworks. Dadi Dreamworks had repaid its borrowing obtained from a third party in respect of the Guangdong Dadi Equity Transfer upon receipt of the interest-free loan from the Company.

As the Company's cinema business segment has faced severe challenges as a result of the COVID-19 epidemic in the past few years, the Board is of the view that the Incentive Scheme and the entrusted loan aimed to alleviate the financial burden have not been effective in incentivizing employees under the current business environment. The entrusted loan will expire on 25 February 2023. The Company is considering the abolition of the Incentive Scheme and entrusted loan arrangement and is in discussion with the relevant personnel concerning the new arrangements. The Company will announce the result of such discussion as soon as practicable.

\* For identification purposes only

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Nan Hai Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Stock Exchange (stock code: 680)
“Dadi Dreamworks”	北京大地夢工廠投資合夥企業（有限合夥）(Beijing Dadi Dreamworks Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC and is owned as to 50% and 50% by Ms. Liu Rong (an executive Director of the Company and the chairlady of Guangdong Dadi) and Ms. Yu Xin (a former director of certain subsidiaries of the Company and the former general manager of Guangdong Dadi) respectively, and a connected person of the Company
“Director(s)”	the director(s) of the Company
“Guangdong Dadi”	廣東大地影院建設有限公司 (Guangdong Dadi Cinema Construction Limited*), a company established in the PRC, an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive Scheme”	the incentive scheme adopted by Guangdong Dadi to provide incentives to employees of Guangdong Dadi who have made significant contributions to Guangdong Dadi as mentioned in the announcement of the Company dated 11 November 2016. The Incentive Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

\* For identification purposes only

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange have been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until the Company fulfils the Resumption Guidance (as defined in the Company's announcement dated 13 July 2022).

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

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

Hong Kong, 24 February 2023

*As at the date of this announcement, Directors 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