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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**”); (viii) dated 9 August 2022 in relation to delay in publication of the 2022 unaudited interim results of the Company; (ix) dated 30 September 2022 for quarterly update of the Suspension; (x) dated 30 December 2022 for quarterly update of the Suspension; (xi) dated 15 March 2023 in relation to, amongst others, delay in publication of the 2022 audited annual results of the Company; and (xii) dated 31 March 2023 for quarterly update of the Suspension.

\* *For identification purposes only*

## 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;
- (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 15 March 2023 and 31 March 2023, the publication of the 2021 audited annual results, 2022 unaudited interim results and the 2022 audited annual results and dispatch of the 2021 annual report, 2022 interim report and 2022 annual report were delayed, pending completion of audit of the consolidated financial statements of the Company for the years ended 31 December 2021 and 31 December 2022. The auditor of the Company (the “**Auditor**”) proposed that it would carry out second-stage investigation on the matter covered by the Independent Investigation report and the Independent Investigation should also cover events up to 31 December 2022. The Company is still dealing with issues regarding the scope of work and expected time required for such work with the Auditor and the Independent Investigation Consultant (as defined below). At the same time, the parties have not yet reached an agreement on the schedule of payment. The relevant work has not been completed while the audit work for the year ended 31 December 2022 has yet to commence.

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, the 2022 unaudited interim results and 2022 audited annual results of the Company, and the date of despatch of the 2021 annual report, the 2022 interim report and 2022 annual report of the Company as and when appropriate.

## **Update on the Independent Investigation**

As disclosed in the announcements of the Company dated 6 June 2022, 30 September 2022, 30 December 2022 and 31 March 2023, the Company engaged 深圳源豐會計師事務所有限公司 (the “**Independent Investigation Consultant**”) to conduct the Independent Investigation. As at the date of this announcement, the Independent Investigation is still pending and dealing with issues regarding the scope of work and expected time required for such work with the Auditor and the Independent Investigation Consultant. The Company is cooperating with Independent Investigation Consultant in conducting the Independent Investigation and will disclose the relevant findings as soon as practicable.

## **Update on the IC Review**

As disclosed in the announcement of the Company dated 30 September 2022, 30 December 2022 and 31 March 2023, the Company engaged BT Corporate Governance Limited (the “**IC Reviewer**”) to conduct the IC Review. As at the date of this announcement, the IC Reviewer has completed the first stage of the IC Review and has made recommendations to the Company on remedial actions in response to the findings of the IC Review. The Group is actively adopting those remedial actions. The Company will announce the key findings of the IC Review and the views of the audit committee of the Company as soon as practicable.

## **Update on compliance with Rule 13.24 of the Listing Rules**

The Board is of the view that the Company is in compliance with Rule 13.24 of the Listing Rules. The Company is preparing a written submission to the Stock Exchange to demonstrate its compliance and shall submit the same to the Stock Exchange 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. The Board wishes to reiterate that, notwithstanding the Suspension, the Group is carrying on its business operations as usual. 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 June 2023

As at the date of this announcement, the 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