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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 Rule 13.09 and 13.24A 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; and (v) dated 6 June 2022 in relation to inside information (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

### BUSINESS OPERATIONS OF THE GROUP

The Group is principally engaged in (i) culture and media services (mainly in cinemas business on a nationwide basis in the PRC 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 in different regions in the PRC in 2021 and the first half of 2022, the Group continues to face challenges in its different business segments, especially in its culture and media services business and the 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. For the culture and media services business, the Group continued to optimize its asset structure and reduce operating expenses. The Group is currently operating about three hundred cinemas in the PRC and the business volume of such cinemas still maintains its No.2 ranking among

\* For identification purpose only

cinema investment and management companies throughout China. For the property development business, the Group will continue to work on improving its liquidity including exploring ways to accelerate the disposal of its properties held for sale and seek to find new partners. However, the current climate remains challenging in the property sector. For the Crabtree & Evelyn business within the innovative business segment, the Group will carry out a review of its past operations and continue to work on reducing costs and streamlining its range of products. The enterprise cloud services and news media business of the Group are operating as usual in material respects. Further, the Group will continue to actively communicate with its creditors and seek to restructure its liabilities.

## **FURTHER DELAY IN PUBLICATION OF THE 2021 AUDITED ANNUAL RESULTS AND 2021 ANNUAL REPORT**

As previously announced, the Company was unable to publish the 2021 Audited Annual Results as the internal control investigation and other audit procedures are still ongoing.

However, the Company and the Company's auditors are currently unable to provide the estimated time required for completion of such internal control investigation and audit procedures. Accordingly, the publication of the 2021 Audited Annual Results and 2021 Annual Report will be further delayed. The expected date of publication will be announced as and when appropriate.

## **POSTPONEMENT OF THE ANNUAL GENERAL MEETING**

As a result of the delay in publication of the 2021 Audited Annual Results and 2021 Annual Report, the Company will postpone its annual general meeting until further notice as appropriate.

## **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, 30 June 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