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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 AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The board of directors (the “Board”) wishes to inform the shareholders of Nan Hai Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) and potential investors that the Board expects the Group may record a significant consolidated loss for the year ended 31 December 2008. The Group had a consolidated profit of about HK\$21,537,000 for the year ended 31 December 2007. This announcement is only based on the preliminary review on the consolidated management accounts of the Group, which has yet been confirmed nor audited by the auditors of the Company.

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

The Board has noted the recent increase in the trading volume and price of the shares of the Company.

The Board wishes to state that, save as disclosed above, the Board is not aware of any reason for such increase in the trading volume and price of the shares of the Company nor any negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

At the request of the Company, trading in the shares of the Company was suspended with effect from 3:42 p.m. on Friday, 13 February 2009 pending the release of this announcement. Application has been made by the Company to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the resumption of trading in shares of the Company with effect from 9:30 a.m. on Monday, 16 February 2009.

* For identification purpose only

This announcement is made by the Board of the Company pursuant to Rule 13.09 of the Listing Rules.

The Board would like to inform the shareholders of the Company and potential investors that the Group may record a significant consolidated loss for the year ended 31 December 2008. The Group's consolidated profit for the year ended 31 December 2007 was about HK\$21,537,000.

The Board considers that the anticipate consolidated loss was primarily due to the following factors:

1. A significant consolidated loss may be recorded by its listed subsidiary, Sino-i Technology Limited ("Sino-i"), whose main businesses including corporate IT application services and financial information services etc. Due to macroeconomic regulation and control in China, a number of enterprises, especially those small-to-medium sized enterprises ("SMEs") which have been the core customers of Sino-i, would be seriously affected, and in turn SMEs would significantly cut back their expenses in IT and the related services and products. As a result, the overall businesses and turnover of Sino-i would be affected substantially, which in turn would affect the annual result of the Group.
2. The turnover of the Group without consolidating the turnover of Sino-i would be relatively lower because the pre-sale campaign of the Phase 2 of the Group's flag-ship property project namely "The Peninsula" was commenced in January 2009, the revenue of which would not be reflected in the Group's financial statements for the year ended 31 December 2008.

The Company's management will closely assess the property market sentiments for determining the pricing policies for the Phase 2 of The Peninsula.

The Board is of the view that the overall operations and financial position of the Group as a whole remain sound and solid.

This profit warning announcement is only based on the preliminary review on the consolidated management accounts which has yet confirmed nor audited. The annual results of the Company for the year ended 31 December 2008 have not been finalized as at the date of this announcement.

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

At the request of the Company, trading in the shares of the Company was suspended with effect from 3:42 p.m. on Friday, 13 February 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in shares of the Company with effect from 9:30 a.m. on Monday, 16 February 2009.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
NAN HAI CORPORATION LIMITED
YU Pun Hoi
Chairman

Hong Kong, 13 February 2009

As at the date of this announcement, the Board of the Company comprises:

Executive directors:

Mr. Yu Pun Hoi, Mr. Qin Tian Xiang and
Ms. Chen Dan

Non-executive director:

Mr. Lam Bing Kwan

Independent non-executive directors:

Mr. Huang Yaowen, Prof. Jiang Ping and
Mr. Lau Yip Leung