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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)



SINO-i TECHNOLOGY LIMITED
中國數碼信息有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 250)

JOINT ANNOUNCEMENT

Major Transaction for Nan Hai Corporation Limited

and

Major and Connected Transaction for Sino-i Technology Limited

The directors of Nan Hai and Sino-i jointly announce that, on 29 May 2009 after trading hours, Nan Hai and Sino-i entered into the Loan Agreement under which Sino-i will advance and/or procure the Sino-i Subsidiary(ies) to advance to Nan Hai and/or Nan Hai Subsidiary(ies) a total sum of HK\$1,645,530,000 for Nan Hai's full settlement of the consideration of the same amount payable to Sino-i under the SPA, which will be due on 30 June 2009.

The Advance constitutes a major transaction for each of Nan Hai and Sino-i. As Nan Hai is the holding company of Sino-i, the Advance also constitutes a connected transaction for Sino-i under the Listing Rules, and will be subject to the approval of the independent shareholders of Sino-i at an extraordinary general meeting of Sino-i. Nan Hai and its associates will abstain from voting on the resolution to approve the Loan Agreement.

A circular of Sino-i containing, amongst other things, details of the Loan Agreement, the recommendation of Mr. Fung Wing Lap, an independent non-executive director of Sino-i, the advice of the independent financial adviser, together with a notice convening an extraordinary general meeting of Sino-i will be despatched to its shareholders as soon as practicable.

A circular of Nan Hai containing, amongst other things, details of the Loan Agreement and a notice convening an extraordinary general meeting of Nan Hai will be despatched to its shareholders as soon as practicable.

* For identification purpose only

LOAN AGREEMENT

Date

29 May 2009

Parties

Lender: Sino-i

Borrower : Nan Hai

Loan

Sino-i will advance and/or procure the Sino-i Subsidiary(ies) to advance HK\$1,645,530,000 to Nan Hai and/or Nan Hai Subsidiary(ies) on 30 June 2009, which shall be applied directly for Nan Hai's full settlement of the consideration in the amount of HK\$1,645,530,000 payable to Sino-i under the SPA in relation to, among other things, the acquisition of the Listar Sale Shares by Nan Hai from Sino-i. The SPA was completed on 31 December 2007 and the consideration will be due on 30 June 2009.

Interest Rate

6% per annum which shall be paid in arrears when the Loan or the relevant part thereof is repaid/prepaid by the Borrower during the duration of the Advance.

The rate of interest was set with reference to the prevailing prime lending rate in Hong Kong.

Default Interest Rate

If Nan Hai (and/or Nan Hai Subsidiary(ies)) fails to pay any sum payable under the Loan Agreement when due, Nan Hai (and/or Nan Hai Subsidiary(ies)) shall pay default interest on such sum at the rate of 8% per annum.

Duration of the Advance

The duration of the Advance will be two (2) years from 30 June 2009 i.e. its maturity will be 29 June 2011.

Prepayment

Subject to the provisions of the Loan Agreement, Nan Hai (and/or Nan Hai Subsidiary(ies)) may repay/prepay all or part of the Advance at any time after the date of the Loan Agreement.

Collaterals

The Listar Sale Shares shall be charged to Sino-i as security for the due and punctual performance and observance by Nan Hai (and/or Nan Hai Subsidiary(ies)) of their obligations under the Loan Agreement.

Conditions

The Loan Agreement is conditional upon:

- (a) Nan Hai having settled in full the interest accrued on the consideration of HK\$1,645,530,000 under the SPA on or before 30 June 2009;
- (b) the receipt by Sino-i of the share charge in respect of the Listar Sale Shares duly executed by the relevant parties; and
- (c) the independent shareholders of Sino-i having approved the terms and conditions of the Loan Agreement and the transactions contemplated thereunder in accordance with the provisions of the Listing Rules.

If the conditions set out above are not fulfilled by a date falling sixty (60) days after the date of the Loan Agreement, being 28 July 2009, or such later date as the parties may agree, the Loan Agreement will be null and void and of no further effect.

Events of Default

The Loan Agreement provides that upon the happening of certain customary events of defaults, Sino-i may declare the Advance, accrued interest and all other sums payable under the Loan Agreement to become, immediately due and payable.

REASON FOR ADVANCE

Pursuant to the SPA, Sino-i sold and Nan Hai purchased, among other things, the Listar Sale Shares, representing 51% of the issued share capital of Listar, at a total consideration of HK\$1,645,530,000, to be satisfied in cash within 18 months upon completion of the SPA (the SPA was completed on 31 December 2007, therefore, the due date of settlement of such consideration of HK\$1,645,530,000 will be 30 June 2009) together with interest accrued on such consideration (or any part thereof) remains unpaid at a rate of 8% per annum. Since the completion of the SPA up to the date of this announcement, Nan Hai has paid interests in the aggregate amount of about HK\$138,000,000 to Sino-i (representing about 70% of the total interest accrued up to 30 June 2009).

The overall property market in China is adversely affected by the weakened global economy and unfavourable business climate triggered by the US sub-prime problems. Without exception, the sales condition of the flagship property project of the Nan Hai Group – Phase II of The Peninsula in Shekou, Shenzhen, China, which started in about January 2009, is also affected by the resulting weak market and consumer sentiment. The purchasers of Phase II of The Peninsula typically only pay a deposit when executing the purchase contracts, with the remaining balance of the sales consideration payable upon delivery of the property units, which is expected to be in or about December 2009. Hence, Nan Hai expects that Phase II of The Peninsula will generate sufficient revenues for the repayment of the Advance in about 24 months from the date hereof.

Comparing with the prevailing interest rate for time deposits being offered by banks to the public, the interest rate of 6% per annum as offered by Nan Hai under the Loan Agreement is attractive. Sino-i considers that the interest to be received will have a positive effect on its profit and loss accounts. Furthermore, under the current negative sentiment, Sino-i does not have immediate funding needs for expansion of its businesses. As set out in the consolidated audited financial statement of Sino-i for the year ended 31 December 2008, the Sino-i Group's bank and cash balance as at 31 December 2008 was about HK\$103,700,000, which is sufficient for the general working capital requirements of the Sino-i Group.

The directors of Nan Hai (including the independent non-executive directors) consider that the terms and conditions of the Loan Agreement are fair and reasonable and in the interests of the shareholders of Nan Hai as a whole.

The directors of Sino-i (excluding the independent non-executive directors whose views will be subject to the opinion of an independent financial adviser to be appointed in connection with the Loan Agreement) consider that the terms and conditions of the Loan Agreement are fair and reasonable and in the interests of the shareholders of Sino-i as a whole.

As Mr. Huang Yaowen and Prof. Jiang Ping, two of the three independent non-executive directors of Sino-i, are also the independent non-executive directors of Nan Hai, they are not considered sufficiently independent to give any advice or recommendation to the independent shareholders of Sino-i in relation to the Loan Agreement. Accordingly, Mr. Fung Wing Lap, the remaining independent non-executive director of Sino-i has been appointed to advise the independent shareholders of Sino-i, and an independent financial adviser will be appointed to advise Mr. Fung Wing Lap in relation to the Loan Agreement.

INFORMATION ON NAN HAI

Nan Hai is an investment holding company listed on the Main Board of the Stock Exchange. The Nan Hai Group is principally engaged in property development and, through the Sino-i Group, engaged in the information technology business. As at the date of this announcement, Nan Hai, through a number of wholly-owned subsidiaries, held approximately 62.85% of the issued share capital of Sino-i.

INFORMATION ON SINO-i

Sino-i is an investment holding company listed on the Main Board of the Stock Exchange. The Sino-i Group is principally engaged in the information technology business, including the provision of corporate IT application services, financial information services and distance learning education services.

GENERAL

The Advance constitutes a major transaction for each of Nan Hai and Sino-i under the Listing Rules.

As Nan Hai is the holding company of Sino-i, it also constitutes a connected transaction for Sino-i under the Listing Rules. Thus, the Loan Agreement will be subject to the approval of the independent shareholders of Sino-i at an extraordinary general meeting of Sino-i. Nan Hai and its associates will abstain from voting on the resolution to approve the Loan Agreement.

Mr. Fung Wing Lap, the independent non-executive director of Sino-i, has been appointed to give recommendations to the independent shareholders of Sino-i in respect of the Loan Agreement. An independent financial adviser will also be appointed to advise Mr. Fung Wing Lap. A circular of Sino-i containing, amongst other things, details of the Loan Agreement, the recommendation of Mr. Fung Wing Lap and the advice of the independent financial adviser, together with a notice convening an extraordinary general meeting of Sino-i, will be despatched to its shareholders as soon as practicable.

A circular of Nan Hai containing, amongst other things, details of the Loan Agreement and a notice convening an extraordinary general meeting of Nan Hai will be despatched to its shareholders as soon as practicable.

DEFINITIONS

“Advance”	the loan in the principal amount of HK\$1,645,530,000 to be advanced by Sino-i to Nan Hai pursuant to the Loan Agreement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Listar”	Listar Properties Limited, a company incorporated in the British Virgin Islands with limited liability
“Listar Sale Shares”	10,200,000 shares of US\$1.00 each in Listar, representing 51% of its issued share capital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a conditional loan agreement entered into between Sino-i as lender and Nan Hai as borrower on 29 May 2009 in relation to the Advance
“Nan Hai”	Nan Hai Corporation Limited, a company incorporated in Bermuda with limited liability, the ordinary share capital of which is listed on the Stock Exchange and the holding company of Sino-i
“Nan Hai Group”	Nan Hai and its subsidiaries
“Nan Hai Subsidiary(ies)”	the wholly owned subsidiary(ies) of Nan Hai as designated by Nan Hai as borrower of the Advance (or any portion thereof)
“Sino-i”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability, the ordinary share capital of which is listed on the Stock Exchange and a subsidiary of Nan Hai
“Sino-i Group”	Sino-i and its subsidiaries

“Sino-i Subsidiary(ies)”	the wholly owned subsidiary(ies) of Sino-i as designated by Sino-i as lender of the Advance (or any portion thereof)
“SPA”	the agreement entered into between Sino-i as vendor and Nan Hai as purchaser on 13 November 2007 in connection with the sale and purchase of, among other things, the Listar Sale Shares, further details of which are set out in the joint announcement of Sino-i and Nan Hai dated 14 November 2007 and the circular of Sino-i dated 5 December 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board of
Nan Hai Corporation Limited
Wang Gang
Director

By Order of the Board of
Sino-i Technology Limited
Chen Dan
Director

Hong Kong, 29 May 2009

As at the date of this announcement, the directors of Nan Hai are:

<i>Executive directors:</i>	<i>Non-executive director:</i>	<i>Independent non-executive directors:</i>
Mr. Yu Pun Hoi	Mr. Lam Bing Kwan	Mr. Huang Yaowen
Mr. Wang Gang		Prof. Jiang Ping
Ms. Chen Dan		Mr. Lau Yip Leung
Ms. Liu Rong		
Mr. Qin Tian Xiang		

As at the date of this announcement, the directors of Sino-i are:

<i>Executive directors:</i>	<i>Non-executive directors:</i>	<i>Independent non-executive directors:</i>
Mr. Yu Pun Hoi	Mr. Luo Ning	Mr. Huang Yaowen
Mr. Wang Gang	Mr. Lam Bing Kwan	Prof. Jiang Ping
Ms. Chen Dan		Mr. Fung Wing Lap
Ms. Liu Rong		
Mr. Qin Tian Xiang		