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Nanfang Communication Holdings Limited

南方通信控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1617)

PROFIT WARNING

This announcement is made by Nanfang Communication Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

Based on the currently available information, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a decrease in net profit by approximately 60% to 80% for the year ended 31 December 2019 as compared to the year ended 31 December 2018. The Board considered that the changes in the annual results for the year ended 31 December 2019 are primarily due to the following:

1. affected by the whole industry, the drastic decrease in the awarded tendering prices of optical fibre cables which led to the decrease in the Group’s revenue; and
2. the share of loss of an associate engaged in the manufacturing and trading of optical fibre business.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019, the information contained in this announcement is only based on the Board’s preliminary assessment of the Group’s unaudited consolidated management accounts, and may be subject to adjustments. The actual results of the Group for the year ended 31 December 2019 have not been finalised and have not been audited or reviewed by the auditors of the Company. The actual results of the Group for the year ended 31 December 2019 to be published may be different from what is contained in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2019.

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

For and on behalf of the Board
Nanfang Communication Holdings Limited
Yu Jinlai
Chairman

Hong Kong, 20 March 2020

As at the date of this announcement, the executive directors are Mr. Shi Ming (chief executive officer), Ms. Yu Rumin and Ms. Yu Ruping; the non-executive director is Mr. Yu Jinlai (chairman); and the independent non-executive directors are Mr. Wu Wing Kuen, Mr. Lam Chi Keung and Mr. Chan Kai Wing.