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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)

**TERMINATION AGREEMENT
IN RESPECT OF
DISCLOSEABLE TRANSACTION
ACQUISITION OF THE TARGET COMPANY**

Reference is made to the announcement of Nanfang Communication Holdings Limited dated 26 June 2019 (the “Announcement”) in relation to the agreement for the sale and purchase of the entire issued share capital of, and the assignment of the shareholder’s loan due from, Pacific Smart Development Limited. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement unless stated otherwise.

The Board wishes to announce that pursuant to the SP Agreement, completion of the Acquisition is conditional upon certain conditions being satisfied or waived, and the parties to the SP Agreement are now of the view that those conditions in the SP Agreement cannot be fully satisfied for completion of the Acquisition. On 6 September 2019 after trading hours, the Vendor and the Purchaser entered into a termination agreement, pursuant to which, the Vendor and the Purchaser have agreed to terminate the SP Agreement and release each other (i) from all obligations, duties, responsibilities, claims and liabilities whatsoever of whatever nature (whether past, present or future) owed to any of them arising out of or in connection with the SP Agreement; and (ii) from the performance by the Vendor or the Purchaser of any further obligations towards each other (if any) under the SP Agreement, with immediate effect.

The Directors confirm that no payment of any Consideration was made pursuant to the SP Agreement. The Directors consider that the entering into the Termination Agreement has no material adverse impact on the existing operation and financial position of the Company.

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

Hong Kong, 6 September 2019

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.