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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)

CHANGE IN SHAREHOLDING STRUCTURE OF CONTROLLING SHAREHOLDER

The Board was informed that on 28 August 2018, Ms. Yu RP and Mr. Yu transferred their respective shares in Pacific Mind, in aggregate representing 40% of the entire issued share capital thereof, to Ms. Yu, by way of gifts (the “**First Transfer**”) and then Ms. Yu transferred all her shares in Pacific Mind, representing the entire issued share capital thereof, to the Nominee Company, as the nominee of the Trustee, by way of gifts (the “**Second Transfer**”) and together with the First Transfer, the “**Transfers**”).

An application has been made to the SFC for a waiver from the obligation to make a general offer for the Shares as a result of the Transfers and the Executive has granted a waiver from making a general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in favour of the Trustee and the Nominee Company in this regard.

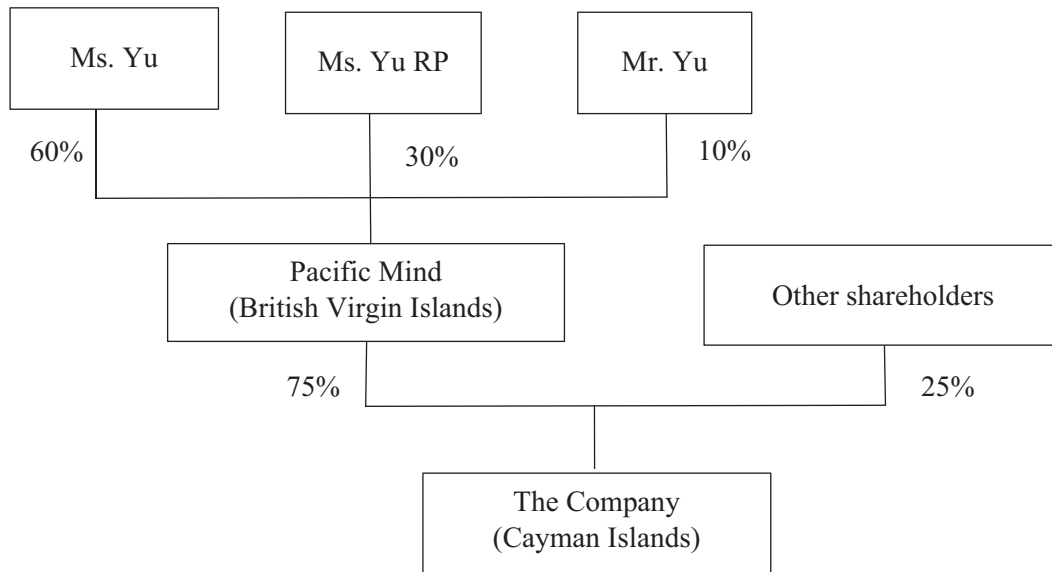
THE TRANSFERS

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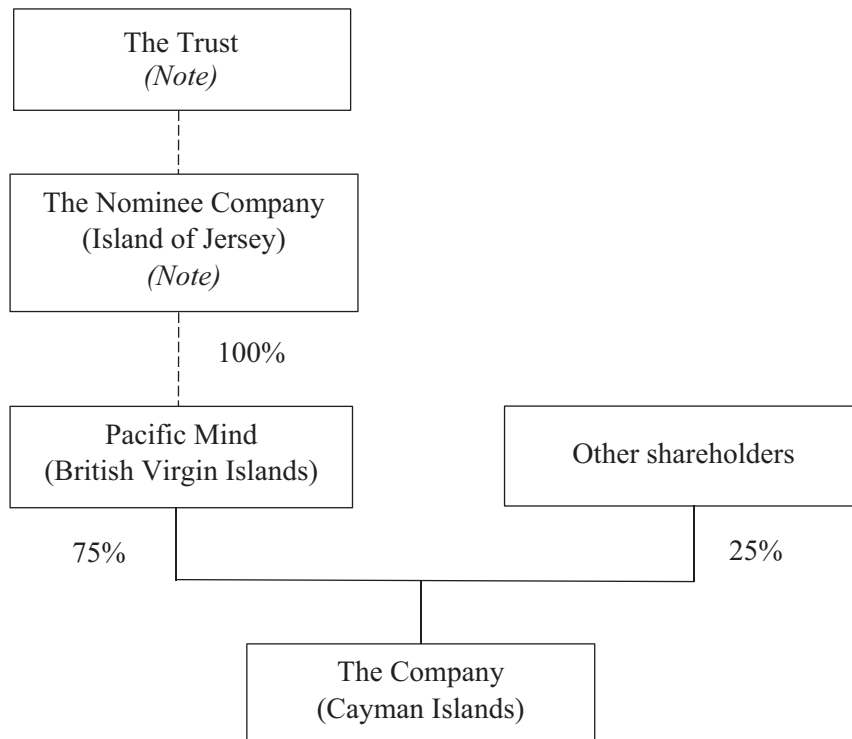
As at the date of this announcement, Pacific Mind is the Controlling Shareholder of the Company interested in 840,000,000 Shares (the “**Relevant Shares**”), representing approximately 75% of the issued share capital of the Company.

The shareholding structures of the Company immediately before and after the Transfers are as follows:

Immediately before the Transfers



Immediately after completion of the Transfers



Note:

The entire issued share capital of Pacific Mind is held by the Nominee Company as nominee of the Trustee in respect of the Trust.

INFORMATION OF THE TRUST AND THE NOMINEE COMPANY

The Nominee Company is an investment holding company incorporated in the Island of Jersey and the nominee which holds the entire issued share capital of Pacific Mind for the Trustee. The Trust is a discretionary trust settled by Ms. Yu as the settlor and the Trustee as the trustee. The beneficiaries of the Trust include Ms. Yu, her family members and any person(s) being appointed.

EFFECT OF THE TRANSFERS

The Transfers have no effect on the business and operation of the Group. There is no change in the composition of the Board as a result of the Transfers. Ms. Yu and Ms. Yu RP remain as the executive Directors, Mr. Shi remains as the chief executive officer of the Company and an executive Director, and Mr. Yu remains as the chairman of the Board and a non-executive Director.

Based on the terms of the Trust Deed, there is no change in Ms. Yu's control over the Relevant Shares while Ms. Yu as the settlor of the Trust in accordance with the Trust Deed has reserved investment and asset management powers over the trust assets including the exercise of the voting rights of the Relevant Shares and Ms. Yu can give written directions to the Trustee to exercise the voting rights.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As the Trustee and the Nominee Company have acquired more than 30% of the voting rights of the Company as a result of the Transfers, the Trustee and the Nominee Company would be required to make a general offer for all the Shares not already owned by it or parties acting in concert with it under the Takeovers Code unless a waiver is granted by the Executive. In this regard, an application has been made to the SFC for a waiver from the obligation to make a general offer for the Shares as a result of the Transfers and the Executive has granted a waiver from making a general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in favour of the Trustee and the Nominee Company in this regard.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Nanfang Communication Holdings Limited (南方通信控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1617)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nominee Company”	UBS Nominee Limited, a company incorporated in the Island of Jersey, being the nominee which holds the entire issued share capital of Pacific Mind for the Trustee
“Mr. Shi”	Mr. Shi Ming (石明先生), the chief executive officer of the Company, the executive Director, the spouse of Ms. Yu, son-in-law of Mr. Yu and brother-in-law of Ms. Yu RP
“Mr. Yu”	Mr. Yu Jinlai (於金來先生), the chairman of the Board, the non-executive Director, the Controlling Shareholder of the Company, father of Ms. Yu and Ms. Yu RP and father-in-law of Mr. Shi

“Ms. Yu”	Ms. Yu Rumin (於茹敏女士), the executive Director, the Controlling Shareholder of the Company, the spouse of Mr. Shi, sister of Ms. Yu RP and daughter of Mr. Yu
“Ms. Yu RP”	Ms. Yu Ruping (於茹萍女士), the executive Director, the Controlling Shareholder of the Company, sister of Ms. Yu, daughter of Mr. Yu and sister-in-law of Mr. Shi
“Pacific Mind”	Pacific Mind Development Limited, a company incorporated in the British Virgin Islands on 22 March 2016 with limited liability and the Controlling Shareholder of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.001 each in the share capital of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust”	a discretionary trust set up by Ms. Yu for which the Trustee acts as the trustee and Ms. Yu, her family members and any person(s) being appointed are the beneficiaries
“Trustee”	UBS TC (Jersey) Ltd., being the trustee of the Trust
“Trust Deed”	the trust deed in respect of the Trust
“%”	per cent

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

Hong Kong, 29 August 2018

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.