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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 net loss of approximately RMB18.0 million to RMB20.0 million (apart from impairment of non-current assets, if any) for the year ended 31 December 2020 as compared to a net profit of approximately RMB33.9 million for the year ended 31 December 2019. The Board considered that the changes in the annual results for the year ended 31 December 2020 are primarily due to an overall decrease in tender prices for optical fibre cables in the industry, it resulted in a drastic decrease in the awarded tender prices, thereby leading to the decrease in the Group’s revenue.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on the Board’s preliminary assessment of the Group’s unaudited consolidated management accounts, which have not been finalised and have not been audited or reviewed by the auditors of the Company, and are thus subject to adjustments and results of impairment assessment. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published on 30 March 2021.

**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, 23 March 2021

*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.*