

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VERY SUBSTANTIAL DISPOSAL
SIGNING OF
SUPPLEMENTAL AGREEMENT

On 23 September 2024, Pacific Smart and the Purchaser entered into the Supplemental Agreement, pursuant to which certain provisions related to the Purchaser's right to terminate the Formal Sale and Purchase Agreement and its obligation to pay termination penalty were amended.

Reference is made to the announcement of Nanfang Communication Holdings Limited (the "**Company**") dated 28 June 2024 (the "**Announcement**") and the circular dated 23 August 2024 (the "**Circular**") in relation to the Disposal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

BACKGROUND

As disclosed in the Announcement and the Circular, the Formal Sale and Purchase Agreement provides that:

- (i) the Purchaser may elect to terminate the Formal Sale and Purchase Agreement without cause within 90 days after its meeting of its board of directors approving the Disposal. For the avoidance of doubt, such right to terminate extinguishes if Completion takes place during the said 90-day period;
- (ii) the Purchaser shall pay to the Target Company a penalty in the sum equivalent to 1% of the Consideration if the Purchaser exercises its right to terminate the Formal Sale and Purchase Agreement mentioned in paragraph (i) above.

The board of directors of the Purchaser held its meeting for approving the Disposal on 23 June 2024. The 90th day after 23 June 2024 was 21 September 2024.

SUPPLEMENTAL AGREEMENT

On 23 September 2024, Pacific Smart and the Purchaser entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend the above provisions of the Formal Sale and Purchase Agreement related to the Purchaser’s right to terminate the Formal Sale and Purchase Agreement and its obligation to pay termination penalty, pursuant to which the above-mentioned provisions were deleted and substituted by the following provisions:

- (i) from the date of signing of the Formal Sale and Purchase Agreement up to 31 October 2024, if the Purchaser has not issued the notice and announcement for convening its shareholders’ meeting for approving the Disposal, the Purchaser may elect to terminate the Formal Sale and Purchase Agreement without payment of any compensation to any other party to the Formal Sale and Purchase Agreement;
- (ii) from 1 November 2024, if (i) the Purchaser fails to issue the notice and announcement for convening its shareholders’ meeting for approving the Disposal and fails to reach an agreement with Pacific Smart and the Target Company on the date on which the meeting of the Purchaser’s shareholders should be held; or (ii) the Purchaser’s shareholders fail to pass the resolution for approving the Disposal at their general meeting, the Purchaser shall within 15 business days after occurrence of any of the above events (whichever earlier) pay to the Target Company a penalty in the sum equivalent to 1% of the Consideration, unless Pacific Smart fails to perform its obligations to use its reasonable commercial efforts to sign the relevant undertaking documents or comply with the vetting procedures required by the relevant regulatory authorities in the PRC.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As the time required for the Purchaser to obtain the necessary approvals from the relevant regulatory authorities in the PRC for the Disposal is longer than the parties’ original expectation and that the Purchaser will only issue notice and announcement for convening its shareholders’ meeting for approving the Disposal after having obtained such regulatory approvals, both Pacific Smart and the Purchaser consider that it is necessary to amend the terms of the Formal Sale and Purchase Agreement in order to allow the Purchaser to have more time to obtain such regulatory approvals.

The Board has also noted that the parties to the Main SPA also signed a supplemental agreement on 23 September 2024 with the terms which are substantially the same as the Supplemental Agreement for amending the Main SPA.

Having considered the above situations, the Board considers that the terms of the Supplemental Agreement are fair and reasonable and that Pacific Smart's entering into of the Supplemental Agreement is in the interest of the Company and its Shareholders as a whole.

Save and except the above-mentioned amendments, all other terms and conditions of the Formal Sale and Purchase Agreement remain in full force and effect.

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

Hong Kong, 23 September 2024

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. Chan Kai Wing and Mr. Liu Cheng Yi.