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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)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**IN RELATION TO**  
**(I) DISCLOSEABLE TRANSACTIONS – ACQUISITION OF LANDS**  
**AND**  
**(II) MAJOR TRANSACTIONS – CONSTRUCTION CONTRACTS**

Reference is made to the announcement of Nanfang Communication Holdings Limited (the “**Company**”) dated 2 July 2025 (the “**Announcement**”) in relation to the Acquisition of Lands and the Construction Contracts. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

**REASONS FOR NON-COMPLIANCE OF LISTING RULES**

As disclosed in the Announcement, it was the Company’s corporate strategy to pursue the Source Photonics Investment as its business development with the aim of advancing high-end products and high-value-added processes to improve the Company’s profit margins, competitiveness and long-term sustainability. Accordingly, upon entering into the Source Photonics Investment, the Group immediately conducted an internal assessment of the Group’s future land demands in anticipation of a potential joint venture opportunity with Source Photonics and considered it necessary to secure the relevant land indices from the PRC government for the potential expansion of the Group’s production facilities.

At the material time, the Directors were aware of the Group's entering into the Grand of Collectively-owned Land Contract and the Construction Contracts (collectively, the "**Transactions**"). The Board evaluated the nature and purpose of the Transactions that are within the broader context of the Group's ongoing business activities and strategic development. During this assessment, the Board considered that the expansion of the Group's factory facilities was undertaken primarily to increase production capacity for the anticipated business growth and to support the Company's operational needs. Accordingly, these business activities were regarded as integral to the Group's ordinary and usual course of business operations which are consistent with the Company's ongoing efforts to enhance production efficiency and capacity.

Based on the Board's aforesaid assessment and judgement, the Board mistakenly formed the view that the Transactions were not capital in nature and should not fall within the scope of notifiable transactions under Chapter 14 of the Listing Rules.

The Directors acknowledged that the Company failed to promptly comply with the notification, announcement, circular and shareholders' approval requirements under Rules 14.34, 14.38A, 14.40 and/or 14.41 of the Listing Rules in respect of the Transactions (the "**Non-Compliance Matters**"). The Company would stress that such Non-Compliance Matters were unintentional. In particular, it was the genuine belief of the Directors at the material time that the Transactions did not constitute notifiable transactions under Chapter 14 of the Listing Rules. The Board would like to emphasis that the Transactions as a whole was a one-off incident resulting from the Board's mis-judgement of the nature of the Transactions.

The Company will disclose the Non-Compliance Matters in its upcoming annual report.

## **REMEDIAL ACTIONS**

As a remedial action, Pacific Mind Development Limited, being the holder of 840,000,000 issued shares of the Company (representing approximately 51.65% of the total issued shares of the Company), has provided the Company with its written approval to enter into the Construction Contract on 3 July 2025.

In order to avoid recurrence of the Non-Compliance Matters, and to ensure that the Company will fully comply with the requirements of Chapter 14 of the Listing Rules in future, the Company will take the following remedial measures:

1. The Company will enhance its policy and procedure on notifiable transactions by improving its procedures on identification, approval, disclosure and monitoring of the notifiable transactions and such procedures will be circulated to all relevant staffs in the finance department (“**Relevant Staffs**”) who will handle the Company’s transactions on a daily basis. The Company will provide training and ensure all Relevant Staffs understand the newly implemented policy and procedures on notifiable transactions. Relevant Staffs of the Company and all its subsidiaries will be required to monthly provide a list of proposed transactions (with material terms) which are or may possibly fall within the definition of “transaction” under Rule 14.04(1) of the Listing Rules, including but not limited to acquisition or refurbishment of new or existing assets, to the company secretary and the finance manager of the Company (collectively the “**Compliance Team**”) for review before entering into any such transactions. The Compliance Team will review and ascertain whether those transactions are conducted in compliance with all applicable Listing Rules and the other relevant applicable rules and regulations. The Compliance Team members will consult the Company’s external legal advisor if they are in doubt of the nature of the transactions and/or the requirements of the Listing Rules. If a transaction is identified as a notifiable transaction, the related documentation must be passed to the Board for approval in advance. The aforesaid enhanced policy and procedure will be in place by 30 September 2025, the Company will make further disclosure upon the same having been in place.
2. The Company arranged for an external professional legal advisor to provide a training session on 28 August 2025 to the Directors and the Compliance Team to enhance their knowledge of Chapter 14 of the Listing Rules compliance and related regulatory matters. Furthermore, the Company will also arrange regulatory trainings on an ongoing basis to enhance and refresh the Directors’, the Compliance Team’s and all Relevant Staffs’ (including but not limited to any new joiners’) understanding and knowledge of the requirements of Chapter 14 of the Listing Rules and latest regulatory requirements. In the event where any training is provided to those new joiners in the future, the Company will disclose in its annual corporate governance report from time to time.

The Directors believe that the implementation of the above remedial measures will strengthen and reinforce the knowledge of the Directors and the responsible staff and management of the Group and will improve the ability of the Company to comply with the requirements of the Listing Rules.

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

Hong Kong, 15 September 2025

*As at the date of this announcement, the executive Directors are Mr. Shi Ming (chief executive officer), Ms. Yu Rumin (chairman) and Ms. Yu Ruping; the non-executive Director is Mr. Yu Jinlai; and the independent non-executive Directors are Mr. Chan Kai Wing, Mr. Liu Cheng Yi and Ms. Ju Hefeng.*