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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)**

**DISCLOSEABLE TRANSACTION**  
**CONSTRUCTION CONTRACT FOR**  
**DEVELOPMENT OF**  
**NANFANG SCIENCE AND TECHNOLOGY**  
**ECOLOGICAL INDUSTRIAL PARK**

**CONSTRUCTION CONTRACT**

On 13 February 2026, Nanfang Communication (an indirect wholly-owned subsidiary of the Company) entered into the Construction Contract with the Contractor for the provision of construction work and construction labour for the Project at the Construction Fee of RMB38.25 million.

**INFRASTRUCTURE FACILITIES FEE**

Based on the construction schedule of the Project, Nanfang Communication will pay approximately RMB2.1 million as the Infrastructure Facilities Fee in relation to the Project levied by the Housing and Urban-Rural Development Bureau of Wujin District\* (武進區住房和城鄉建設局) by the end of February 2026.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transaction contemplated under the Construction Contract exceed 5% but all of them are less than 25%, the transaction contemplated under the Construction Contract constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the transaction contemplated under the Construction Contract and payment of the Infrastructure Facilities Fee are related to the same construction project and conducted within a 12-month period, the Company considers that the Transactions should be aggregated under Rule 14.22 of the Listing Rules. Upon aggregation, the Transactions still constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratio(s) in respect of the Transactions, on an aggregate basis, still exceed 5% but all of them are less than 25%.

Reference is made to the voluntary announcement dated 15 October 2025 (the “**2025 Announcement**”) issued by the Company in relation to the proposed development of the Industrial Park.

## **CONSTRUCTION CONTRACT**

On 13 February 2026, Nanfang Communication (an indirect wholly-owned subsidiary of the Company) entered into the Construction Contract with the Contractor for the provision of construction work and construction labour for the Project at the Construction Fee of RMB38.25 million.

The principal terms of the Construction Contract are set out below:

### **Date:**

13 February 2026

### **Parties:**

- (i) Nanfang Communication; and
- (ii) the Contractor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

**Subject Matter:**

The construction works undertaken by the Contractor to be carried out for the Project under the Construction Contract includes the provision of construction works of the Industrial Park and supply of building materials and construction labour.

**Term:**

The construction period for the Project is 240 calendar days, and is expected to commence on 1 May 2026 and end on 28 December 2026.

**Consideration and payment terms:**

The Construction Fee payable by Nanfang Communication under the Construction Contract is RMB38.25 million.

In connection with the transaction contemplated under the Construction Contract, the Contractor shall provide the Performance Guarantee to Nanfang Communication.

The Construction Fee shall be payable by Nanfang Communication to the Contractor in the following manner:

- (i) 10% of the Construction Fee shall be paid after the signing of the Construction Contract and the provision of the Performance Guarantee by the Contractor, and upon the completion of temporary facilities and deployment of on-site labour and equipment and the conditions for commencement of work are met;
- (ii) cumulative payment of 20% of the Construction Fee shall be made within 20 days after completion of inspection and acceptance of all pipelines for rainwater and sewage, high voltage and low-voltage systems (including earthwork backfilling);
- (iii) cumulative payment of 40% of the Construction Fee shall be made within 20 days after completion of inspection and acceptance of the cement stabilized macadam layer;
- (iv) cumulative payment of 60% of the Construction Fee shall be made within 20 days after completion of inspection and acceptance of the bituminous layer;

- (v) cumulative payment of 70% of the Construction Fee shall be made within 20 days after inspection and acceptance of completion of the construction works;
- (vi) cumulative payment of 85% of the Construction Fee shall be made within 30 days after one year from inspection and acceptance of completion of the construction works, provided that the final audit of the completed construction works has been completed; and
- (vii) cumulative payment of 100% of the Construction Fee shall be made within 30 days after two years from inspection and acceptance of completion of the construction works.

Nanfang Communication will settle the Construction Fee with internal resources of the Group.

## **BASIS OF DETERMINING THE CONSIDERATION OF THE CONSTRUCTION CONTRACT**

The selection of contractors for the building of the Industrial Park was conducted by Nanfang Communication through tender invitations and decided by Nanfang Communication by reference to pricing, time schedule, payment terms and the requisite construction licences held by the Contractor, background, experience, capability, financial conditions and reputation of the Contractor. The Contractor was selected as it operates in Jiangsu Province and is able to provide its construction services efficiently and at reasonable costs with labour from proximate areas. The Construction Fee and payment terms of the Construction Contract was determined after arm's length negotiations between Nanfang Communication and the Contractor with reference to the then prevailing market price of construction works with similar scale and complexity, building materials and labour costs in Changzhou City, the expected scope of work and the standard required for the Project.

For the reasons set out above, the Directors (including the independent non-executive Directors) consider that the Construction Contract (including the Construction Fee and payment terms) is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the Construction Contract is entered into in the ordinary and usual course of business of the Group.

## **INFRASTRUCTURE FACILITIES FEE**

Based on the construction schedule of the Project, Nanfang Communication will pay approximately RMB2.1 million as the Infrastructure Facilities Fee in relation to the Project by the end of February 2026.

The Infrastructure Facilities Fee is a fee compulsorily levied by the Housing and Urban-Rural Development Bureau of Wujin District\* (武進區住房和城鄉建設局) and payable to Changzhou Wujin District Finance Bureau\* (常州市武進區財政局) for construction and maintenance of the urban infrastructure facilities at the Industrial Park for the Project.

Nanfang Communication is required to settle the payment notice for the Infrastructure Facilities Fee in full prior to the commencement of construction works of the Project.

The Company will pay the Infrastructure Facilities Fee with internal resources of the Group.

## **BASIS OF DETERMINING THE INFRASTRUCTURE FACILITIES FEE**

The Infrastructure Facilities Fee is a government fund compulsorily levied by relevant departments of district governments for the construction of urban municipal infrastructure. It is calculated based on the construction area of the Project and is specifically allocated for the construction and maintenance of infrastructure such as urban roads, bridges, water supply and drainage systems, and energy facilities.

## **INFORMATION OF THE CONTRACTOR**

The Contractor is a company established in the PRC with limited liability and is principally engaged in building construction works and construction labour outsourcing services. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (a) the registered capital of the Contractor is indirectly owned as to 95% by Lu Haijun\* (盧凱軍); and (b) each of the Contractor and Lu Haijun\* (盧凱軍) is an Independent Third Party.

## **INFORMATION OF THE HOUSING AND URBAN-RURAL DEVELOPMENT BUREAU OF WUJIN DISTRICT\* (武進區住房和城鄉建設局)**

The Housing and Urban-Rural Development Bureau of Wujin District\* (武進區住房和城鄉建設局) is a department of the Wujin District People's Government of Changzhou City and is principally responsible for supervising and managing building construction and municipal infrastructure projects in the Wujin District.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is a well-established supplier for optical telecommunication products with the Group's headquarters based in Changzhou City, Jiangsu Province, the PRC. The Group is principally engaged in the manufacturing and sales of a wide range of optical fibre cable products and related devices as well as the processing and sales of prepainted steel sheets. The Group's customers principally include national and regional telecommunications network operators and telecommunications supporting services providers in the PRC.

No Director has any material interest in the Construction Contract and the payment of the Infrastructure Facilities Fee. Therefore, no Director is required to abstain from voting on the Board's decision regarding the entering into of the Transactions.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT AND PAYMENT OF THE INFRASTRUCTURE FACILITIES FEE**

As disclosed in the 2025 Announcement, the Board believes that the Project is in line with the Group's long-term development objectives and business strategies. At the operation and management level, the Board considers that the consolidation of the production capacity from two separate factory sites will enable scaled and intensive manufacturing. Procurement, logistics and management costs will decrease due to economies of scale. It will also centralize management teams, thereby enhancing production efficiency and flexibility, preparing for the Group to engage in scaled and intensive manufacturing of its products in the future.

Further, it is a good opportunity for the Group to reduce its overall operating costs and generate new cash flows. Conversion of outdated factory sites into a contemporary industrial park could greatly reduce maintenance expenses in maintaining old or obsolete equipment and facilities. The Group will also consider to lease and/or sell part of the premises within the Industrial Park, thereby developing new income stream for the Group.

The Board considers that the Project is a prime opportunity to enhance the Group's image and promote its continuous efforts in striving for breakthroughs in its business strategies. It is expected that the Project will attract talents and high-calibre candidates for expansion of the Group's business.

Having considered the above, the Board believes that the Project is in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transaction contemplated under the Construction Contract exceed 5% but all of them are less than 25%, the transaction contemplated under the Construction Contract constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the transaction contemplated under the Construction Contract and payment of the Infrastructure Facilities Fee are related to the same construction project and conducted within a 12-month period, the Company considers that the Transactions should be aggregated under Rule 14.22 of the Listing Rules. Upon aggregation, the Transactions still constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratio(s) in respect of the Transactions, on an aggregate basis, still exceed 5% but all of them are less than 25%.

## **DEFINITIONS**

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

“Board”	the board of the Directors of the Company
“Company”	Nanfang Communication Holdings Limited, 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)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules

“Construction Contract”	the construction contract entered into between Nanfang Communication and the Contractor on 13 February 2026 in respect of the construction work to be undertaken for the Project
“Construction Fee”	the construction fee in the sum of RMB38.25 million payable by Nanfang Communication to the Contractor under the Construction Contract
“Contractor”	Jiangsu Xinxia Construction Limited* (江蘇鑫廈建設有限公司), a company incorporated with limited liability in the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Industrial Park”	Nanfang Science and Technology Ecological Industrial Park* (南方科技生態產業園) situated at workshops A1 and A2, 1 Cencun Road, Luoyang Town, Wujin District, Changzhou City, Jiangsu Province, the PRC
“Infrastructure Facilities Fee”	the infrastructure facilities fee* (基礎設施配套費) in the sum of approximately RMB2.1 million levied by the Housing and Urban-Rural Development Bureau of Wujin District* (武進區住房和城鄉建設局) for the Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanfang Communication”	Jiangsu Nanfang Communication Technology Company Limited* (江蘇南方通信科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company



“Performance Guarantee”	the performance guarantee of 10% of the Construction Fee by way of a bank guarantee letter to be provided by the Contractor prior to the performance of the Construction Contract
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project”	the construction and development of the Industrial Park, which involves renovation and redevelopment of the Company’s former factory sites
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transaction contemplated under the Construction Contract and the payment of the Infrastructure Facilities Fee
“%”	per cent

\* *The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.*

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

Hong Kong, 13 February 2026

*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.*