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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)

POSITIVE ALERT – REDUCTION OF LOSS

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 loss of approximately RMB8.0 to RMB10.0 million for the year ended 31 December 2022, compared to the net loss of approximately RMB59.9 million for the year ended 31 December 2021 representing a decrease of loss of approximately RMB49.9 to RMB51.9 million. The Board considered that the reduction of loss in the annual results for the year ended 31 December 2022 are primarily due to the following:

1. an improved profitability of the Group’s overall operations;
2. enhanced profits of the associate and the joint venture and thus the Group reported an increase in the share of profits; and
3. the Company has recorded an equity-settled share-based payment expenses amounting to approximately RMB0.7 million for the year ended 31 December 2022, representing a reduction of approximately RMB14.2 million from approximately RMB14.9 million for the year ended 31 December 2021.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2022, the information contained in this announcement is only based on the Board's preliminary assessment of the Group's unaudited consolidated management accounts, and may be subject to adjustments. Such management accounts have not been audited or reviewed by the auditors of the Company nor reviewed by the audit committee of the Company. The actual results of the Group for the year ended 31 December 2022 to be published may be different from what is contained in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2022, which is expected to be published by the end of March 2023.

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 2023

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.