



31 October 2017

**High Concentration of Shareholding
in
Nanfang Communication Holdings Limited (Stock Code: 01617)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Nanfang Communication Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 13 October 2017.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 13 October 2017, 13 shareholders held an aggregate of 192,502,000 Shares, representing 17.19% of the issued Shares. Such shareholding, together with 840,000,000 Shares (representing 75.00% of the issued Shares) held by a substantial shareholder, represented 92.19% of the issued Shares as at 13 October 2017. Therefore only 87,498,000 Shares (representing 7.81% of the issued Shares) were held by other shareholders.

As at 13 October 2017, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Pacific Mind Development Limited (<i>Note 1</i>)	840,000,000	75.00
A group of 13 shareholders	192,502,000	17.19
Other shareholders	87,498,000	7.81
Total	1,120,000,000	100.00

Note 1: Pacific Mind Development Limited is owned as to 10% by the Non-Executive Director and Chairman of the Company, Mr. Yu Jinlai, 30% by the Executive Director of the Company, Ms. Yu Ruping, and 60% by the Executive Director of the Company, Ms. Yu Rumin.

The price of the Shares closed at a range between HK\$1.50 and HK\$1.55 during the period from 1 June 2017 to 27 June 2017. Since then, it started to increase substantially. On 12 October 2017, the Shares closed at HK\$4.18, which was 1.7 times higher than the closing price of HK\$1.54 on 27 June 2017.



On 20 August 2017, the Company announced its interim results for the six months ended 30 June 2017 with a profit and total comprehensive income attributable to the owners of the Company of approximately RMB44.0 million which represented an increase of approximately 8% from approximately RMB40.8 million recorded in the corresponding period in 2016.

On 15 October 2017, the Company announced that its indirect wholly-owned subsidiary had entered into a cooperation agreement with Jiangsu Hengtong Light Guide New Materials Company Limited to establish a joint venture for the purposes of research and development, manufacture and sales of optical fibre preforms and other related products.

On 25 October 2017, the Company announced the establishment of the joint venture company as announced on 15 October 2017. The Company also announced the continuing connected transactions pursuant to Rule 14A.60 of the Listing Rules upon the establishment of the joint venture company.

As at 30 October 2017, the Shares closed at HK\$4.17, which was 1.7 times higher than the closing price of HK\$1.54 on 27 June 2017.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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