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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 PROFIT ALERT

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 profit and total comprehensive income of approximately RMB4.0 million to RMB6.0 million for the year ended 31 December 2023 as compared with the loss and total comprehensive expense of approximately RMB8.1 million for the year ended 31 December 2022.

The Board considered that the improvement in the annual results for the year ended 31 December 2023 is primarily due to the following:

1. a decrease in the costs of raw materials which led to a decrease in the cost of sales thus drove the gross profit and the gross profit margin up;
2. a decrease in administrative expenses due to implementation of more stringent cost-control measures; and
3. an increase in income tax credit recognised under the laws of the People’s Republic of China.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2023, 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 2023 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 2023, which is expected to be published by the end of March 2024.

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, 20 March 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.