

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VERY SUBSTANTIAL DISPOSAL
SIGNING OF
3RD SUPPLEMENTAL AGREEMENT

On 31 December 2024, Pacific Smart and the Purchaser entered into the 3rd Supplemental Agreement, pursuant to which certain provisions of the Formal Sale and Purchase Agreement (as amended by the Supplemental Agreement and the 2nd Supplemental Agreement) were amended.

Reference is made to the announcement dated 28 June 2024 (the “**June Announcement**”), the circular dated 23 August 2024 (the “**Circular**”), the announcement dated 23 September 2024 (the “**September Announcement**”) and the announcement dated 31 October 2024 (the “**October Announcement**”) issued by Nanfang Communication Holdings Limited (the “**Company**”) in relation to the Disposal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular, the September Announcement and the October Announcement.

BACKGROUND

As disclosed in the October Announcement, the Formal Sale and Purchase Agreement (as amended by the Supplemental Agreement and the 2nd Supplemental Agreement) provides that:

- (i) from the date of signing of the 2nd Supplemental Agreement up to 31 December 2024, if the Purchaser has not issued the notice and announcement for convening its shareholders’ meeting for approving the Disposal, the Purchaser may elect to terminate the Formal Sale and Purchase Agreement without payment of any compensation to any other party to the Formal Sale and Purchase Agreement; and

- (ii) from 1 January 2025, if (i) the Purchaser fails to issue the notice and announcement for convening its shareholders' meeting for approving the Disposal and fails to reach an agreement with Pacific Smart and the Target Company on the date on which the meeting of the Purchaser's shareholders should be held; or (ii) the Purchaser's shareholders fail to pass the resolution for approving the Disposal at their general meeting, the Purchaser shall within 15 business days after occurrence of any of the above events (whichever earlier) pay to the Target Company a penalty in the sum equivalent to 1% of the Consideration, unless Pacific Smart fails to perform its obligations to use its reasonable commercial efforts to sign the relevant undertaking documents or comply with the vetting procedures required by the relevant regulatory authorities in the PRC.

The Formal Sale and Purchase Agreement also provides that:

Each of the Purchaser and Pacific Smart undertakes to each other that, for the period of 90 days from the date of the Formal Sale and Purchase Agreement, each of them shall not (directly or indirectly) contact, negotiate, liaise or sign any agreement or arrangement with any third party in respect of any transaction which is the same as or similar to the transactions or subject matter of, or is contrary to the transactions of, the Formal Sale and Purchase Agreement.

3RD SUPPLEMENTAL AGREEMENT

On 31 December 2024, Pacific Smart and the Purchaser entered into a 3rd supplemental agreement (the "**3rd Supplemental Agreement**") to amend the above-mentioned provisions of the Formal Sale and Purchase Agreement (as amended by the Supplemental Agreement and the 2nd Supplemental Agreement) as follows:

- (a) From the date of signing of the Formal Sale and Purchase Agreement up to and inclusive of 15 February 2025, if the Purchaser has not issued the notice and announcement for convening its shareholders' meeting for approving the Disposal, the Purchaser may elect to terminate the transactions contemplated under the Formal Sale and Purchase Agreement by way of, including but not limited to, the Purchaser's convening of its board of directors' meeting to approve such termination or the Purchaser's issue of a termination notice by email or mail to the other party of the Formal Sale and Purchase Agreement without payment of any compensation to Pacific Smart or the Target Company or being responsible for any breach of the Formal Sale and Purchase Agreement. Any one or more of Shanghai Qilan Enterprise Management Consulting Partnership (Limited Partnership), V-Capital Zhigeng International Co., Limited, Shanghai Anjian Corporate Management Consulting Partnership (Limited Partnership) and Shanghai Yucun Enterprise Management Consulting Partnership (Limited Partnership) are entitled to terminate the Main SPA (as amended) by notice to the Purchaser. If within 3 business days after such termination notice is issued, the Purchaser fails to reach another agreement with them to proceed with the sale and purchase of the shareholding in the Target Company, the Main SPA (as amended) will be terminated automatically, and in such circumstances, Pacific Smart will also be entitled to terminate the Formal Sale and Purchase Agreement (as amended) by notice to the Purchaser.

- (b) The Formal Sale and Purchase Agreement shall automatically be terminated on 16 February 2025 if (i) as at 16 February 2025, the Purchaser did not issue any termination notice as mentioned in paragraph (a) above and fails to issue the notice and announcement for convening its shareholders' meeting for approving the Disposal or the Purchaser's shareholders fail to pass the resolution for approving the Disposal at their general meeting; or (ii) the conditions precedent for payment of the 1st Instalment specified in the Formal Sale and Purchase Agreement have not been fulfilled on 16 February 2025. The Purchaser shall within 15 business days after occurrence of the events stated in paragraph (a) above pay to the Target Company a penalty in the sum equivalent to 1% of the Consideration (inclusive of tax).
- (c) If the Formal Sale and Purchase Agreement is terminated as aforesaid, none of the parties to the Formal Sale and Purchase Agreement shall be responsible for any breach of contract or payment of any compensation other than those specified in paragraph (b).
- (d) From 1 January 2025, Pacific Smart shall have the right to (directly or indirectly) contact, negotiate, liaise or sign any agreement or arrangement with any third party in respect of any transaction which is the same as or similar to the transactions or subject matter of, or is contrary to the transactions of, the Formal Sale and Purchase Agreement, the Supplemental Agreement and the 2nd Supplemental Agreement. All the aforesaid actions of Pacific Smart shall not constitute a breach of the Formal Sale and Purchase Agreement, the Supplemental Agreement and the 2nd Supplemental Agreement.

Shanghai Qilan Enterprise Management Consulting Partnership (Limited Partnership), V-Capital Zhigeng International Co., Limited, Shanghai Anjian Corporate Management Consulting Partnership (Limited Partnership) and Shanghai Yucun Enterprise Management Consulting Partnership (Limited Partnership) are some of the Other Vendors who signed the Main SPA and its supplemental agreements.

REASONS FOR ENTERING INTO THE 3RD SUPPLEMENTAL AGREEMENT

As more time is required for the Purchaser to obtain the necessary approvals from the relevant regulatory authorities in the PRC for the Disposal and the Purchaser will only issue the notice and announcement for convening its shareholders' meeting for approving the Disposal after having obtained such regulatory approvals, both Pacific Smart and the Purchaser consider that it is necessary to further amend the terms of the Formal Sale and Purchase Agreement (as amended by the Supplemental Agreement and the 2nd Supplemental Agreement) in order to allow the Purchaser to have more time to obtain such regulatory approvals. In view of the prolonged delay in fulfilment of the conditions precedent to payment of the 1st instalment, the 3rd Supplemental Agreement also amended the relevant provision in the Formal Sale and Purchase Agreement to enable Pacific Smart to look for other potential buyers of the Sale Shares.

The Board has also noted that the parties to the Main SPA also signed a 3rd supplemental agreement on 31 December 2024 with the terms which are substantially the same as the 3rd Supplemental Agreement for amending the Main SPA.

Having considered the above situations, the Board considers that the terms of the 3rd Supplemental Agreement are fair and reasonable and that Pacific Smart's entering into of the 3rd Supplemental Agreement is in the interest of the Company and its Shareholders as a whole.

Save and except the above-mentioned amendments, all other principal terms and conditions of the Formal Sale and Purchase Agreement (as amended by the Supplemental Agreement and the 2nd Supplemental Agreement) remain in full force and effect.

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

Hong Kong, 31 December 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.