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SHIFANG HOLDING LIMITED

十方控股有限公司

(incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)

(Stock code: 1831)

**(I) SUPPLEMENTAL AGREEMENT IN RELATION TO THE
LOAN CAPITALISATION AGREEMENT;
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(III) DELAY IN DISPATCH OF CIRCULAR**

Reference is made to the announcement of ShiFang Holding Limited (the “**Company**”) dated 4 August 2022 (the “**Announcement**”) in relation to, among other things, the Loan Capitalisation. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

(I) SUPPLEMENTAL AGREEMENT

On 30 September 2022, the Company entered into the supplemental agreement (the “**Supplemental Agreement**”) with the Creditor, pursuant to which the parties mutually agreed to amend the terms of the CPS to be issued by the Company to the Creditor under the Loan Capitalisation Agreement, such that the CPS no longer carry any contractual obligation of the Company to pay any fixed interest of 3% per annum to the CPS Holders. Instead, each CPS shall confer on the holder(s) the right to receive dividends *pari passu* with the holders of the ordinary Shares on the basis of the number of CPS Conversion Shares into which each CPS may be converted and on an as-converted basis. In addition, the adjustment mechanisms of the Conversion Ratio of the CPS (as contained in the section headed “Adjustment Events” on pages 7 to 9 of the Announcement) are removed in their entirety, with the only exception as follows, namely, that if and whenever the ordinary Shares are consolidated or sub-divided into a

different nominal amount, then the same consolidation or sub-division shall be effected on the CPS, such that the Conversion Ratio shall remain as one CPS for one ordinary Share as consolidated or sub-divided, as the case may be. The transferability clause of the CPS is also amended to clarify that if any CPS is intended to be transferred to a connected person of the Company, such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange (if any). Further, the Loan Capitalisation Long Stop Date for the fulfillment of the Loan Capitalisation Conditions shall be extended from 31 October 2022 to 30 November 2022, or such later date as may be mutually agreed in writing between the Company and the Creditor.

The terms of the Supplemental Agreement were determined following arm's length negotiations between the Company and the Creditor. The Directors are of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Save for Mr. Chen Zhi and Ms. Chen Min who abstained from voting on the Board level, no other Director regarded himself to have a material interest in the Supplemental Agreement which requires him to disclose his interest and/or to abstain from voting on the Board level regarding the entering into of the Supplemental Agreement.

Save for the changes disclosed above, all other terms of the Loan Capitalisation Agreement shall remain unchanged and in full force and effect.

(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Shares. To facilitate the issuance of the CPS, it was proposed that the authorised share capital of the Company be increased to HK\$1,100,000,000, by the creation of an additional 10,000,000,000 CPS of par value of HK\$0.01 each, with such rights and restrictions as determined by the Directors pursuant to Bye-law 8 of the Company's Bye-laws. The Directors consider that the proposed increase in authorised share capital is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The proposed increase in authorised share capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM. Further information regarding the proposed increase in authorised share capital will be contained in the Circular. No Shareholder will be required to abstain from voting on the resolution in respect of the proposed increase in authorised share capital at the SGM.

(III) DELAY IN DISPATCH OF CIRCULAR

The Announcement originally contemplates that the circular (the “**Circular**”) containing, among other things, (i) further details of the Loan Capitalisation; (ii) a notice of SGM; and (iii) other information as required under the Listing Rules, will be dispatched to the Shareholders on or before 30 September 2022.

As additional time is required for the Company to prepare and finalise certain information to be included in the Circular, it is expected that the dispatch of the Circular will be delayed to a date falling on or before 12 October 2022.

By order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman & Chief Executive Officer

Hong Kong, 30 September 2022

As at the date of this announcement, the executive Directors are Mr. Chen Zhi (Chairman & Chief Executive Officer) and Mr. Yu Shi Quan; the non-executive Directors are Mr. Chen Wei Dong and Ms. Chen Min; and the independent non-executive Directors are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry and Mr. Cai Jian Quan.