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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)

FULFILMENT OF THE SECOND PROFIT GUARANTEE

Reference is made to the announcements (the “**Announcements**”) of ShiFang Holding Limited (the “**Company**”) dated 4 August 2022, 15 September 2022, 5 October 2022 and 14 October 2022 in relation to, among other things, the Acquisition constituting a discloseable transaction for the Company and involving the issue of the Convertible Bonds under the General Mandate, and the fulfilment of the First Profit Guarantee. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

(I) FULFILMENT OF THE SECOND PROFIT GUARANTEE

According to the audited accounts of the PRC Operating Company provided by the Vendor, the Actual Profit of the PRC Operating Company for 2022Q3 amounted to approximately RMB20.3 million. Profits of the PRC Operating Company for 2022Q3 were all derived from the ordinary and usual course of business, and there was no One-off Income which needs to be carved out from the aforementioned profit figure. As such, the Company determines on 15 November 2022 that the Vendor has met the Second Guaranteed Profit.

Pursuant to the terms of the Acquisition Agreement, the Second Tranche CB in the principal amount of HK\$30,802,500 will be automatically converted by the Company into 44,003,571 CB Conversion Shares (the “**Second Tranche CB Conversion Shares**”) at the CB Conversion Price of HK\$0.70 per CB Conversion Share and released to the Vendor (or his nominated entity(ies) as he may direct) on or before 30 November 2022. The Second Tranche CB Conversion Shares represent approximately 4.46% of the issued share capital of the Company as at the date of this announcement and approximately 4.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Second Tranche CB Conversion Shares.

(II) EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Second Tranche CB Conversion Shares; and (iii) immediately after the allotment and issue of the Second Tranche CB Conversion Shares and the Third Tranche CB Conversion Shares on the assumption that the Third Profit Guarantee is to be satisfied in full in due course, in each case assuming that there is no other change in the issued share capital of the Company:

	As at the date of this announcement		Immediately after the allotment and issue of the Second Tranche CB Conversion Shares		Immediately after the allotment and issue of the Second Tranche CB Conversion Shares and the Third Tranche CB Conversion Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mr. Chen and his associate						
Mr. Chen	1,758,164	0.18	1,758,164	0.17	1,758,164	0.16
The Creditor	225,440,510	22.83	225,440,510	21.86	225,440,510	20.96
<i>Sub-total</i>	<i>227,198,674</i>	<i>23.01</i>	<i>227,198,674</i>	<i>22.03</i>	<i>227,198,674</i>	<i>21.13</i>
The Vendor (<i>Notes 1 and 2</i>)	44,003,571	4.46	88,007,142	8.53	132,010,713	12.27
Public Shareholders	716,240,162	72.53	716,240,162	69.44	716,240,162	66.60
Total	987,442,407	100.00	1,031,445,978	100.00	1,075,449,549	100.00

Notes:

1. As at the date of this announcement, the Vendor holds approximately 4.46% of the issued share capital of the Company. Immediately after the allotment and issue of the Second Tranche CB Conversion Shares, the Vendor will hold approximately 8.53% of the issued share capital of the Company as enlarged by the Second Tranche CB Conversion Shares, and will continue to be regarded as a public shareholder of the Company.
2. Immediately after the allotment and issue of all three tranches of the CB Conversion Shares on the assumption that the Third Profit Guarantee is to be satisfied in full in due course, the Vendor will hold approximately 12.27% of the issued share capital of the Company as enlarged by 132,010,713 CB Conversion Shares in aggregate, will become a substantial shareholder of the Company and therefore would not be regarded as a public shareholder of the Company.
3. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

Hong Kong, 15 November 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.