

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.



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 THIRD 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, 14 October 2022 and 15 November 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 and Second Profit Guarantees. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

(I) FULFILMENT OF THE THIRD 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 2022Q4 amounted to approximately RMB22.2 million, inclusive of a One-off Income of approximately RMB91,700. During 2022Q4, the PRC Operating Company received a local government subsidy of approximately RMB91,700, which is treated as a One-off Income and excluded in the calculation of the Actual Profit of the PRC Operating Company. Save and except for the aforesaid local government subsidy of approximately RMB91,700, the remaining profits of the PRC Operating Company for 2022Q4 were derived from the ordinary and usual course of business, and there was no other One-off Income which needs to be carved out from the aforementioned profit figure. As such, the Company determines on 27 February 2023 that the Vendor has met the Third Guaranteed Profit.

Pursuant to the terms of the Acquisition Agreement, the Third 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 “**Third 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 28 February 2023. The Third Tranche CB Conversion Shares represent approximately 4.27% of the issued share capital of the Company as at the date of this announcement and approximately 4.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Third 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; and (ii) immediately after the allotment and issue of the Third Tranche CB Conversion Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Third Tranche CB Conversion Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mr. Chen and his associate				
Mr. Chen	1,758,164	0.17	1,758,164	0.16
TopBig International Development Limited	<u>225,440,510</u>	<u>21.86</u>	<u>225,440,510</u>	<u>20.96</u>
<i>Sub-total</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>)	88,007,142	8.53	132,010,713	12.27
Public Shareholders	<u>716,240,162</u>	<u>69.44</u>	<u>716,240,162</u>	<u>66.60</u>
Total	<u>1,031,445,978</u>	<u>100.00</u>	<u>1,075,449,549</u>	<u>100.00</u>

Notes:

- As at the date of this announcement, the Vendor holds approximately 8.53% of the issued share capital of the Company and is regarded as a public shareholder of the Company.

2. Immediately after the allotment and issue of the Third Tranche CB Conversion Shares, the Vendor will hold approximately 12.27% of the issued share capital of the Company as enlarged by 44,003,571 Third Tranche CB Conversion Shares, 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, 27 February 2023

As at the date of this announcement, the executive Directors are Mr. Chen Zhi (Chairman & Chief Executive Officer), Mr. Yu Shi Quan and Mr. Wang Xu; the non-executive Directors are Ms. Chen Min and Mr. Chen Ye; and the independent non-executive Directors are Mr. Wong Heung Ming, Henry, Mr. Mao Xiangyun and Mr. Wei Hong.