

*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 with limited liability)*

**(Stock code: 1831)**

**(I) PROPOSED CHANGE OF DOMICILE;  
(II) PROPOSED ADOPTION OF NEW MEMORANDUM OF  
CONTINUANCE AND BYE-LAWS;  
(III) PROPOSED CANCELLATION OF  
SHARE PREMIUM ACCOUNT;  
(IV) PROPOSED CAPITAL REORGANISATION;  
AND  
(V) PROPOSED CHANGE OF BOARD LOT SIZE**

**PROPOSED CHANGE OF DOMICILE**

The Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The implementation of the Change of Domicile will not affect the continuity of the Company and its listing status on the Stock Exchange.

**PROPOSED ADOPTION OF NEW MEMORANDUM OF  
CONTINUANCE AND BYE-LAWS**

In connection with the Change of Domicile, it is proposed that the New Memorandum of Continuance and the Bye-laws be adopted by the Company to replace the existing Memorandum and the Articles, respectively, in order to comply with the laws of Bermuda.

## **PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT**

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective. As at 30 June 2018, the Company had a credit balance of approximately RMB851,682,000 (equivalent to approximately HK\$1,009,102,000) standing in its share premium account.

The account designated as the contributed surplus account of the Company, subject to the approval of the Shareholders at the EGM by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act upon the Change of Domicile becoming effective.

## **PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation after the Change of Domicile becoming effective which involves the following:

- (1) every four issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$0.40 each and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation;
- (2) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01;
- (3) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.40 each will be sub-divided into forty New Shares of HK\$0.01 each; and

- (4) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

## **PROPOSED CHANGE OF BOARD LOT SIZE**

At present, the Existing Shares are traded in board lot size of 1,000 Existing Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading of the New Shares will be changed from 1,000 to 10,000.

## **WARNING**

**Shareholders should take note that the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size are conditional upon satisfaction of respective conditions set out in this announcement. Therefore, the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account and the Capital Reorganisation. A circular containing, among other things, details of the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account and the Capital Reorganisation and a notice convening the EGM will be dispatched to the Shareholders on or before 1 February 2019.

## **PROPOSED CHANGE OF DOMICILE**

The Board proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The Board also proposes to implement the Capital Reorganisation after the Change of Domicile becoming effective, details of which are set out in the section headed “Proposed Capital Reorganisation” below.

### **Effect of the Change of Domicile**

Other than the expenses to be incurred, the Change of Domicile will not alter the underlying assets, investments, management or financial position of the Company nor the proportionate interests of the Shareholders. The Company’s legal advisers as to the laws of the Cayman Islands and Bermuda are of the view that the continuation of the Company in Bermuda does not create a new legal entity or prejudice or affect the continuity of the Company. The Company will continue to maintain a place of business in Hong Kong.

The Change of Domicile also will not involve the formation of a new holding company, the withdrawal of listing of the Existing Shares, any issue of new Existing Shares, any transfer of assets of the Company or any change in the existing shareholding of the Company. Implementation of the Change of Domicile will not affect the listing status of the Company on the Stock Exchange.

## **Reasons for the Change of Domicile**

As advised by the Company's legal advisers as to the laws of the Cayman Islands, if the Company proceeds with the Capital Reorganisation, which include, amongst other things, the Capital Reduction in the Cayman Islands, the sanction by the Grand Court of the Cayman Islands would be required, and such sanction cannot be obtained in a commercially expedient time frame. If the Capital Reorganisation will be effected by way of a change of domicile of the Company from the Cayman Islands to Bermuda through de-registration in the Cayman Islands and continuation in Bermuda, the legal advisers of the Company as to the laws of the Cayman Islands and Bermuda advised that no court order is required in the Cayman Islands or Bermuda for the Change of Domicile and the Capital Reorganisation after de-registration of the Company in the Cayman Islands and its continuation in Bermuda. The Board considers that it would save the Company's time for carrying out the Capital Reorganisation in Bermuda by first implementing the Change of Domicile.

The Board believes that the Change of Domicile is beneficial to and in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Change of Domicile**

The Change of Domicile is conditional upon:

- (1) the passing of the necessary special resolution(s) by the Shareholders at the EGM to approve (i) the Change of Domicile; and (ii) the Adoption of New Memorandum of Continuance and Bye-laws;
- (2) compliance with the relevant requirements under the Listing Rules and the relevant legal procedures and requirements under the laws of the Cayman Islands and the laws of Bermuda in respect of the Change of Domicile; and
- (3) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Change of Domicile.

The Change of Domicile is not conditional upon the Capital Reorganisation becoming effective. However, the Capital Reorganisation is conditional upon the Change of Domicile becoming effective.

## **PROPOSED ADOPTION OF NEW MEMORANDUM OF CONTINUANCE AND BYE-LAWS**

In connection with the Change of Domicile, it is proposed that the New Memorandum of Continuance and the Bye-laws be adopted by the Company to replace the existing Memorandum and the Articles, respectively, in order to comply with the laws of Bermuda.

## **PROPOSED CANCELLATION OF SHARE PREMIUM ACCOUNT**

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective. As at 30 June 2018, the Company had a credit balance of approximately RMB851,682,000 (equivalent to approximately HK\$1,009,102,000) standing in its share premium account.

The account designated as the contributed surplus account of the Company, subject to the approval of the Shareholders at the EGM by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act upon the Change of Domicile becoming effective.

### **Condition of the Cancellation of Share Premium Account**

The Cancellation of Share Premium Account is conditional upon the passing of a special resolution by the Shareholders at the EGM to approve the transfer to an account designated as the contributed surplus account of the Company credits arising from the cancellation of the entire amount standing to the credit of the share premium account of the Company and that such designated contributed surplus account of the Company shall be the contributed surplus account of the Company within the meaning of the Companies Act upon the Change of Domicile becoming effective.

## **PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation after the Change of Domicile becoming effective which involves the following:

### **(1) Proposed Share Consolidation**

The Board proposes to effect the Share Consolidation pursuant to which every four issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$0.40 each and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

### **(2) Proposed Capital Reduction and Share Subdivision**

The Board proposes that:

- (a) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01;
- (b) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.40 each will be sub-divided into forty New Shares of HK\$0.01 each; and
- (c) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Assuming that there are no other changes in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision becoming effective	Immediately after the Capital Reorganisation becoming effective
Amount of authorised share capital	HK\$1,000,000,000.00	HK\$1,000,000,000.00	HK\$1,000,000,000.00
Par value	HK\$0.10 per Existing Share	HK\$0.40 per Consolidated Share	HK\$0.01 per New Share
Number of authorised shares	10,000,000,000 Existing Shares	2,500,000,000 Consolidated Shares	100,000,000,000 New Shares
Amount of issued share capital	HK\$228,799,612.10	HK\$228,799,612.10	HK\$5,719,990.30
Number of issued shares	2,287,996,121 Existing Shares	571,999,030 Consolidated Shares	571,999,030 New Shares
Amount of unissued share capital	HK\$771,200,387.90	HK\$771,200,387.90	HK\$994,280,009.70
Number of unissued shares	7,712,003,879 Existing Shares	1,928,000,970 Consolidated Shares	99,428,000,970 New Shares

The New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Any fractional Share arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the New Shares will be aggregated, sold and retained for the benefit of the Company.



Any credit arising as a result of the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act which, together with the amount already in the contributed surplus account as a result of the Cancellation of Share Premium Account and any credit which may arise as a result of the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation, will then be applied by the Board to set off against the accumulated losses of the Company (if any) in full or by the amount of such credits on the date of the Capital Reorganisation becoming effective.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

As at the date of this announcement, the Company had no outstanding warrants, options or convertible securities.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the bye-laws of the Company in effect from time to time.

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional on:

- (1) the Change of Domicile becoming effective;
- (2) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation at the EGM;
- (3) the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective;
- (4) compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (5) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

The requirements of section 46(2) of the Companies Act include (i) publication of a notice in relation to the Capital Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the effective date of the Capital Reduction; and (ii) that the Directors are satisfied that on the effective date of the Capital Reduction, there are no reasonable grounds for believing that the Company is, or after the effective date of the Capital Reduction would be, unable to pay its liabilities as they become due.

### **Reasons for the Capital Reorganisation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange on 28 November 2008 and updated on 3 July 2018, (i) market price of the securities of an issuer at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. In view of the recent market price of the Existing Shares, the Directors resolved to propose the Capital Reorganisation with the view to complying with the trading requirements under the Listing Rules.

Based on the closing price of HK\$0.057 per Existing Share as at the date of this announcement, the value of each board lot of 1,000 Existing Shares is only HK\$57.00. It is expected that the Capital Reorganisation would bring about a corresponding upward adjustment in the market price of the New Shares. The Capital Reorganisation will reduce the overall transaction and handling costs of dealings in the New Share as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities transaction. The Board considers that the Capital Reorganisation would maintain the transaction amount for each board lot at a reasonable level in order to attract more investors and extend the base of the Shareholders, and thus provide flexibility for equity fund raising of the Company in the future.

Pursuant to the Articles and the Bye-laws, the Company shall not issue shares at a price below par value. Since the Existing Shares are currently trading substantially below par value, the Board found it difficult to negotiate with any potential investors and financial institutions for possible subscription, offer or placing of the Existing Shares at or above the par value. In light of the net current liabilities of RMB23.09 million of the Company as at 30 June 2018 and with the view to reducing its financial costs, the Company has recently approached financial institutions and investors to explore equity fund raising opportunities of a targeted size of between HK\$200 million and HK\$250 million (the “**Intended Fund-raising**”). In order to facilitate fund raising activities by way of equity issue or convertible securities issue, the Company considers that it is desirable and necessary to lower the par value of the Existing Shares through implementing the Capital Reorganisation.

As at the date of this announcement, the Company has yet to finalise any binding agreement regarding the Intended Fund-raising. Further announcement(s) will be made by the Company if a binding agreement is reached in respect of the Intended Fund-raising. Save and except the Intended Fund-raising, the Company has no current plans for other equity fund raising in the next twelve months.

Furthermore, the credits in the contributed surplus account within the meaning of the Companies Act arising from the Capital Reorganisation will enable the Company to set off against its accumulated losses (if any) in full or by the amount of such credits and may facilitate or be applied in any future distribution to the Shareholders or be applied in any other manner permitted by the laws of Bermuda and the bye-laws of the Company in effect from time to time.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

## **Effects of the Capital Reorganisation**

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date on which the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

As at the date of this announcement, the Company has no plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation or further changing the trading arrangement of the Company.

## **Listing and dealings**

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares in issue and to be issued arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

### **Free exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Monday, 1 April 2019 until Tuesday, 14 May 2019 (both days inclusive), submit share certificates for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares, on the basis of four Existing Shares for one New Share. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Tuesday, 14 May 2019, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the New Shares will be announced by the Company in due course.

### **PROPOSED CHANGE OF BOARD LOT SIZE**

At present, the Existing Shares are traded in board lot size of 1,000 Existing Shares. Based on the closing price of HK\$0.057 per Existing Share on the date of this announcement, the board lot value of 1,000 Existing Shares is only HK\$57.00. The Board proposes to change the board lot size to 10,000 New Shares upon the Capital Reorganisation becoming effective such that the minimal board lot value of HK\$2,000 will be attained. Based on the closing price of HK\$0.057 per Existing Share (equivalent to the theoretical closing price of HK\$0.228 per New Share) as at the date of this announcement, (i) the value of each board lot of 1,000 New Shares, assuming the Capital Reorganisation had already been effective, would be HK\$228.00; and (ii) the estimated market value per board lot of 10,000 New Shares would be HK\$2,280.00 assuming the Change of Board Lot Size had also been effective.

The Change of Board Lot Size will not result in any change in the relative rights of the Shareholders. The Directors consider that the Change of Board Lot Size is appropriate and can reduce the proportionate transaction costs and charges for securities trading in this board lot value and can improve the trading liquidity of the New Shares, thereby attracting more investors and widening the shareholder base.

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the arrangement relating the matching service for odd lots will be announced by the Company as and when appropriate.

Shareholders with odd lot holdings of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is on a best efforts basis. Successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

**EXPECTED TIMETABLE**

**The expected timetable for implementation of the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size is set out below:**

Expected date of dispatch of the circular with notice and proxy form of the EGM. ....	Friday, 1 February 2019
Latest time for lodging transfers of Shares for attending the EGM. ....	4:30 p.m. on Tuesday, 19 February 2019
Closure of register of members (both dates inclusive) .....	Wednesday, 20 February 2019 to Monday, 25 February 2019
Latest date and time for lodging forms of proxy for the EGM. ....	3:00 p.m. on Saturday, 23 February 2019

Date and time of the EGM . . . . . 3:00 p.m. on Monday,  
25 February 2019

Announcement of voting results of the EGM . . . . . Monday, 25 February 2019

**The following events are conditional on the fulfillment of the conditions for the implementation of the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size:**

Expected effective date of the Cancellation of  
Share Premium Account . . . . . Monday, 25 February 2019

Expected effective date of the Change of  
Domicile and the Adoption of New Memorandum of  
Continuance and Bye-laws . . . . . on or after Sunday,  
10 March 2019  
(Bermuda time)/  
on or after Monday,  
11 March 2019  
(Hong Kong time)

Expected effective date and time of  
the Capital Reorganisation . . . . . 9:00 a.m. on Monday,  
1 April 2019  
(Hong Kong time)

First day for free exchange of existing share certificates for  
new share certificates for the New Shares . . . . . Monday, 1 April 2019

Commencement of dealings in New Shares . . . . . 9:00 a.m. on Monday,  
1 April 2019

Original counter for trading in the Existing Shares in  
board lots of 1,000 Existing Shares  
(in the form of existing share certificates)  
temporarily closes . . . . . 9:00 a.m. on Monday,  
1 April 2019

Temporary counter for trading in  
the New Shares in board lots of 250 New Shares  
(in the form of existing share certificates) opens . . . . . 9:00 a.m. on Monday,  
1 April 2019

Original counter for trading in  
the New Shares in board lots of 10,000 New Shares  
(in the form of new share certificates) re-opens . . . . . 9:00 a.m. on Tuesday,  
16 April 2019

Parallel trading in the New Shares  
(in the form of new share certificates and  
existing share certificates) commences . . . . . 9:00 a.m. on Tuesday,  
16 April 2019

Designated broker starts to stand in the market to  
provide matching services for odd lots of the New Shares . . . . . 9:00 a.m. on Tuesday,  
16 April 2019

Temporary counter for trading in  
the New Shares in board lots of 250 New Shares  
(in the form of existing share certificates) closes . . . . . 4:00 p.m. on Thursday,  
9 May 2019

Parallel trading in the New Shares (in the form of  
new share certificates and existing share certificates) ends . . . . . 4:00 p.m. on Thursday,  
9 May 2019

Designated broker ceases to stand in the market to  
provide matching services for odd lots of the New Shares . . . . . 4:00 p.m. on Thursday,  
9 May 2019



Last day for free exchange of

existing share certificates for new share certificates . . . . . Tuesday, 14 May 2019

All times and dates specified in the timetable above refer to Hong Kong times and dates unless otherwise specified.

**The timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.**

## **WARNING**

**Shareholders should take note that the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size are conditional upon satisfaction of the respective conditions set out above. Therefore, the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account, the Capital Reorganisation and the Change of Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account and the Capital Reorganisation. In compliance with the Listing Rules, all resolutions will be voted on by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on any of the resolutions to be proposed at the EGM. A circular containing, among other things, details of the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account and the Capital Reorganisation and a notice convening the EGM will be dispatched to the Shareholders on or before 1 February 2019.

## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Adoption of New Memorandum of Continuance and Bye-laws”	the proposed adoption of the New Memorandum of Continuance and the Bye-laws in compliance with the laws of Bermuda to replace, respectively, the Memorandum and the Articles
“Articles”	the existing articles of association of the Company
“Board”	the board of Directors
“Bye-laws”	a new set of bye-laws of the Company proposed to be adopted by the Company and to take effect upon the continuation of the Company in Bermuda
“Cancellation of Share Premium Account”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Change of Board Lot Size”	the proposed change of board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 10,000 New Shares upon the Capital Reorganisation becoming effective
“Change of Domicile”	the proposed change of domicile of the Company from the Cayman Islands to Bermuda
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	ShiFang Holding Limited, a company incorporated in Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange with stock code 1831
“Consolidated Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Change of Domicile, the Adoption of New Memorandum of Continuance and Bye-laws, the Cancellation of Share Premium Account and the Capital Reorganisation
“Existing Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries from time to time

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the existing memorandum of association of the Company
“New Memorandum of Continuance”	a new memorandum of continuance of the Company proposed to be adopted by the Company and to take effect upon continuation of the Company in Bermuda
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“PRC”	the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every four issued and unissued Existing Shares into one Consolidated Share
“Share Subdivision”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of HK\$0.40 each into forty New Shares of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*For the purposes of illustration only, the amounts denominated in RMB in this announcement were translated into HK\$ at the rates of HK\$1.000 = RMB0.844 (for financial figures as at 30 June 2018) and HK\$1.000 = RMB0.863 (for all other figures).*

By order of the Board  
**ShiFang Holding Limited**  
**Siuming Tsui**

*Executive Director and Chief Executive Officer*

Hong Kong, 18 January 2019

*As at the date of this announcement, the executive Directors are Mr. Siuming Tsui (Chief Executive Officer), Mr. Chen Zhi 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.*