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SHIFANG HOLDING LIMITED

十方控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1831)

**COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent

Aurora Borealis Investment Services Limited



AURORA BOREALIS INVESTMENT SERVICES LIMITED
北極光證券投資服務有限公司

The Board is pleased to announce that all the conditions of the Placing Agreement have been fulfilled and the completion of the Placing took place on 25 January 2018, whereby a total of 289,666,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placées pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of ShiFang Holding Limited (the “**Company**”) dated 19 December 2017 (the “**Announcement**”) in relation to the Placing. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions of the Placing Agreement have been fulfilled and the completion of the Placing took place on 25 January 2018, whereby a total of 289,666,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.145 per Placing Share.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, each of the Placees (and, where appropriate, their respective ultimate beneficial owners) is not a connected person of the Company and is a third party independent of and not acting in concert with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. None of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company.

The gross proceeds from the Placing are approximately HK\$42 million and the net proceeds from the Placing, after deducting the placing commission and other professional fees incurred by the Company in the Placing, are approximately HK\$41 million. The net proceeds of the Placing will be utilized by the Company for replenishing the working capital of the Group, including the payment of office overheads such as salaries and emoluments and rental expenses.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The 289,666,000 Placing Shares represent (i) approximately 20% of the issued share capital of the Company immediately before completion of the Placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the 289,666,000 Placing Shares.

Set out below is the shareholding structure of the Company (based on the disclosure of interests filings published on the website of the Stock Exchange and the information available to the Company) (i) immediately before completion of the Placing; and (ii) upon completion of the Placing:

	As at the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
Mr. Chen Zhi (<i>Note 1</i>)	166,394,696	11.49	166,394,696	9.57
Mr. Yu Shi Quan	892,196	0.06	892,196	0.05
Mr. Shi Jianxiang	186,850,000	12.90	186,850,000	10.75
Placees (<i>Note 2</i>)	–	–	289,666,000	16.67
Other public shareholders (<i>Note 2</i>)	1,094,193,229	75.55	1,094,193,229	62.96
Total	<u>1,448,330,121</u>	<u>100.00%</u>	<u>1,737,996,121</u>	<u>100.00%</u>

Notes:

1. This represents the aggregate of (i) 7,032,655 Shares beneficially owned by Mr. Chen Zhi, an executive Director of the Company, and (ii) 159,362,041 Shares owned by TopBig International Development Limited which is wholly owned by Mr. Chen Zhi.
2. Three Placees were, prior to the Completion, existing Shareholders holding 54,945,645 Shares (3.79%), 52,744,068 Shares (3.64%) and 24,782,018 Shares (1.71%), respectively, of the issued share capital of the Company. The shareholdings of these Placees immediately before Completion are included under “Other public Shareholders” and the shareholdings of the Placing Shares allocated to these Placees under the Placing are included under “Placees”. These Placees remain as public Shareholders holding less than 10% of the enlarged issued share capital of the Company immediately after Completion. Each of these Placees has confirmed to the Company and the Placing Agent that he/she/it is not acting in concert with other subscribers/placees under the Placing.

By order of the Board
ShiFang Holding Limited
Siuming Tsui

Executive Director & Chief Executive Officer

Hong Kong, 25 January 2018

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.