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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)**

## **EXEMPTED CONNECTED TRANSACTION – FINANCIAL ASSISTANCE FROM DIRECTOR**

The board (“**Board**”) of directors (“**Directors**”) of ShiFang Holdings Limited (the “**Company**”) wishes to announce that on 8 May 2018, TopBig International Development Limited (昇平國際發展有限公司) (the “**Lender**”) entered into a loan agreement (the “**Loan Agreement**”) with the Company, pursuant to which the Lender agreed to grant a nine-months’ loan facility (the “**Loan**”) to the Company in the maximum principal amount of HK\$100 million at the simple interest rate of 5% per annum.

As disclosed in the Company’s voluntary announcement dated 28 September 2017, the Company originally obtained a 24-month 8% per annum HK\$60 million loan facility (the “**Previous Facility**”) from a Hong Kong licensed money lender. Due to the revised planning of financial resources the Group around the end of 2017, the Previous Facility was not drawn down and lapsed on the expiry of its availability period. However, due to recent fluctuation of international capital markets, the Company re-assessed its working capital need and came to the view that it is desirable for the Group to obtain the Loan to replenish the Group’s working capital after the payment of the cash consideration balance on completion of the acquisition of Supreme Glory Limited (the “**Acquisition**”).

The Lender is 100% legally and beneficially owned by Mr. Chen Zhi, an executive Director. As at the date of this announcement, the Lender and Mr. Chen Zhi are collectively interested in 166,394,696 shares of the Company (“**Shares**”), representing (a) 9.57% of the issued share capital of the Company on the basis of 1,737,996,121 issued Shares prior to the issue of the consideration shares under the Acquisition; or (b) 7.27% of the issued share capital of the Company on the basis of 2,287,996,121 issued Shares after the issue of the consideration shares under the Acquisition. The Lender is a connected person of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the provision of the Loan constitutes a financial assistance received by the Company from a connected person.

The Board noted that the provision of the Loan is not secured by the assets of the Company or its subsidiaries, and the interest rate of the Loan is lower than the Previous Facility which was not drawn down and other bank facilities available to the Group. The Board (including all independent non-executive Directors but excluding Mr. Chen Zhi and Ms. Chen Min who abstained from voting at the Board meeting due to their material interest in the transaction) is of the view that the provision of the Loan by the Lender to the Company is conducted on normal commercial terms or better so far as the Company is concerned. Under Rule 14A.90 of the Listing Rules, the Loan is fully exempt from all disclosure, annual review, circular and shareholders’ approval requirements.

By Order of the Board  
**ShiFang Holdings Limited**  
**Siuming Tsui**

*Executive Director & Chief Executive Officer*

Hong Kong, 8 May 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.*