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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)

**COMPLETION OF
SUBSCRIPTION OF CONVERTIBLE BONDS
UNDER THE SPECIFIC MANDATE**

Reference is made to (i) the circular (the “**Circular**”) of ShiFang Holding Limited (the “**Company**”) dated 21 February 2019 in relation to the CB Subscription and the Specific Mandate; (ii) the announcement of the Company dated 8 March 2019 in relation to the poll results of the EGM held on 8 March 2019; and (iii) the announcement of the Company dated 9 April 2019 in relation to the Capital Reorganisation becoming effective and the change of board lot size. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Circular.

COMPLETION OF THE CB SUBSCRIPTION

The Board is pleased to announce that all the conditions precedent to the CB Subscription have been fulfilled and completion of the CB Subscription took place on 23 April 2019, whereupon the Convertible Bonds in the principal amount of RMB215,750,000 were issued by the Company to the Subscriber on the same day. The Subscriber is 100% legally and beneficially owned by Mr. Chen Zhi, an executive Director and a Shareholder holding, through himself and the Subscriber, an aggregate of 41,598,673 New Shares after the Capital Reorganisation becoming effective.

Based on the initial Conversion Price of HK\$0.24 per Conversion New Share, the full exercise of the conversion rights attaching to the Convertible Bonds will result in 1,041,666,666 Conversion New Shares falling to be allotted and issued by the Company, representing: (a) approximately 182.1% of the existing issued share capital of the Company; and (b) approximately 64.6% of the issued share capital of the Company as enlarged by the issue of 1,041,666,666 Conversion New Shares, assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds.

The net proceeds (after deducting costs and expenses) raised from the CB Subscription amount to approximately HK\$245 million (RMB211.44 million). The Board intends to apply the net proceeds as to: (a) approximately HK\$105 million (RMB90.62 million) for repaying the principal and accrued interest on the Subscriber Loan Facility; (b) approximately HK\$107.5 million (RMB92.77 million) for early redemption of the Promissory Notes and the accrued interest thereon; and (c) approximately HK\$32.5 million (RMB28.05 million) for the Group's general expenses such as salaries, rental expenses and professional fees.

For the purposes of illustration only, the amounts denominated in RMB in this announcement were converted into HK\$ at the rates of HK\$1.000 = RMB0.863.

By order of the Board
ShiFang Holding Limited
Siuming Tsui

Executive Director and Chief Executive Officer

Hong Kong, 23 April 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.