

*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)**

## **FURTHER UPDATE ON PROGRESS OF LITIGATION INVOLVING BEIJING FANXING TRAVEL CO., LTD**

Reference is made to the announcement of ShiFang Holding Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) dated 31 May 2021 in relation to the update on progress of litigation involving Beijing Fanxing (the “**Previous Announcement**”). Unless the context otherwise requires, capitalized terms in this announcement shall have the same meaning as defined in the Previous Announcement.

As disclosed in the Previous Announcement, the Company received the judgment of first instance of the People’s Court of Fangshan District, Beijing (the “**First Instance Court**”) dated 26 May 2021 confirming that both the Cooperative Agreement and the Lease Agreement be rescinded and ordering Beijing Fanxing to surrender the Project Site to the Landlord (the “**First Instance Judgment**”). In July 2021, Beijing Fanxing lodged an appeal (the “**Appeal**”) against the First Instance Judgment to the Second Intermediate People’s Court of Beijing (the “**Appellate Court**”).

On 30 September 2021, the Company received the civil judgment decision (the “**Appeal Ruling**”) of the Appellate Court dated 29 September 2021, upholding the First Instance Judgment and dismissing our Appeal.

As disclosed in Note 8 to the Notes to the Condensed Consolidated Interim Financial Information on page 74 of the interim report of the Company for the six months ended 30 June 2021, in the light of the First Instance Judgment, the Company has already made impairment charges of RMB8,818,000, RMB1,575,000 and RMB157,226,000 against its property plant and equipment, right-of-use assets and intangible assets, respectively, during the six months ended 30 June 2021, essentially written down the carrying value of the assets of the Project to nil. The Company has not derived any revenue from the Project in the two years ended 31 December 2020, and the Project has always been operated independently from the other business segments of the Group. Save for the said impairment charges, the Company does not anticipate that the Appeal Ruling would cause any further material adverse impact on the operations and financial position of the Company.

By order of the Board  
**ShiFang Holding Limited**  
**Chen Zhi**  
*Chairman & Chief Executive Officer*

Hong Kong, 5 October 2021

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

\* *For identification purposes only*