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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)

**UPDATE ANNOUNCEMENT ON THE COMPLETION OF
AUDITING PROCESS OF
THE ANNUAL RESULTS FOR THE YEAR ENDED
31 DECEMBER 2021**

Reference is made to the announcement of ShiFang Holding Limited (the “**Company**”, which together with its subsidiaries is collectively referred to as the “**Group**”) dated 31 March 2022 (the “**2021 Unaudited Annual Results Announcement**”) in relation to the unaudited annual results of the Group for the year ended 31 December 2021 (the “**2021 Annual Results**”) which have yet to be agreed by the Company’s external auditor. Unless otherwise defined or the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the 2021 Unaudited Annual Results Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that on 13 May 2022, the auditing process of the 2021 Annual Results has been completed. The Company has now obtained the agreement from the Company’s external auditor, PricewaterhouseCoopers (“**PwC**”), Certified Public Accountants, Hong Kong on the 2021 Annual Results (including the figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto) as set out in the 2021 Unaudited Annual Results Announcement. The 2021 Annual Results as contained in the 2021 Unaudited Annual Results Announcement remain unchanged. Shareholders are referred to the 2021 Unaudited Annual Results Announcement, which already contain the 2021 Annual Results and the disclosure required by the Listing Rules.

This announcement provides updated information on the 2021 Annual Results, which shall be read in conjunction with the 2021 Unaudited Annual Results Announcement.

EXTRACT OF INDEPENDENT AUDITOR’S OPINION

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2021.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB188,864,000 and a net cash used in operating activities of RMB5,427,000 during the year ended 31 December 2021 and, as of that date, the Group’s current liabilities exceeded its current assets by RMB213,244,000. These events or conditions, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

AUDIT COMMITTEE

The Audit Committee has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee has also held meeting with the Group's external auditor, PricewaterhouseCoopers, without the presence of executive directors and management of the Group, to discuss matters arising from the auditing and report to the Board of material issues, if any, and make recommendations to the Board. The Audit Committee consists of three independent non-executive directors of the Company, namely Mr. Wong Heung Ming, Henry, Mr. Zhou Chang Ren, and Mr. Cai Jianquan. Mr. Wong Heung Ming, Henry is the chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2021.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the 2021 Unaudited Annual Results Announcement have been agreed by the Group's external auditor, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Tuesday, 21 June 2022. The notice convening the AGM will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the eligibility to attend and vote at the AGM, the Company's register of members will be closed from Friday, 17 June 2022 to Tuesday, 21 June 2022, both days inclusive, during which no transfer of shares of the Company will be effected. In order to be qualified to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 16 June 2022.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.shifangholding.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2021 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited and the Company on or before 15 May 2022.

Save as disclosed above, all other information in the 2021 Unaudited Results Announcement remains unchanged.

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

Hong Kong, 13 May 2022

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.