

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)

COMPLETION OF THE LOAN CAPITALISATION

Reference is made to (i) the circular (the “**Circular**”) of ShiFang Holding Limited (the “**Company**”) dated 12 October 2022 in relation to, among other things, the Loan Capitalisation; and (ii) the announcement of the Company dated 4 November 2022 in relation to, among other things, the poll results of the SGM held on 4 November 2022. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

COMPLETION OF THE LOAN CAPITALISATION

The Board is pleased to announce that all the conditions precedent to the Loan Capitalisation have been fulfilled and completion of the Loan Capitalisation has taken place on 11 November 2022. Pursuant to the terms of the Loan Capitalisation Agreement (as supplemented by the Supplemental Agreement), 383,636,331 CPS were allotted and issued to the Creditor under the CPS Specific Mandate at the subscription price of HK\$0.57 per CPS, in full and final settlement of the entire outstanding balance of the Creditor’s Loan (including principal and interest) owed by the Group to the Creditor as at 30 July 2022 and the date of the Loan Capitalisation Completion in the amount of RMB188,058,530 (equivalent to approximately HK\$218,672,709). Under the terms of the Loan Capitalisation Agreement, all interest accrued on the Creditor’s Loan between 31 July 2022 and the date of the completion of the Loan Capitalisation were waived by the Creditor.

The CPS Terms are as set out in Appendix I to the Circular. In particular, the CPS are initially convertible into ordinary shares of the Company on one-for-one basis, carry no fixed interest but confer on the holder(s) the right to receive dividends *pari passu* with the holders of the ordinary Shares on an as-converted basis. The issue of CPS will have no immediate dilution effect on the voting right of the existing Shareholders.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon the full exercise of the conversion rights attaching to the CPS assuming that there is no other change in the issued share capital of the Company:

	As at the date of this announcement		Immediately after the issue of the CPS Conversion Shares upon full exercise of conversion rights attaching to the CPS	
	No. of Shares	%	No. of Shares	%
Mr. Chen and his associate				
Mr. Chen	1,758,164	0.18	1,758,164	0.13
The Creditor	<u>225,440,510</u>	<u>22.83</u>	<u>609,076,841</u>	<u>44.42</u>
<i>Sub-total</i>	<i>227,198,674</i>	<i>23.01</i>	<i>610,835,005</i>	<i>44.55</i>
Public Shareholders	<u>760,243,733</u>	<u>76.99</u>	<u>760,243,733</u>	<u>55.45</u>
Total	<u><u>987,442,407</u></u>	<u><u>100.00</u></u>	<u><u>1,371,078,738</u></u>	<u><u>100.00</u></u>

Notes:

1. The shareholding percentage for the Creditor is for illustration only. Under the terms of the CPS, the Creditor is unable to convert CPS to an extent which would trigger any mandatory general offer obligations under the Takeovers Code.
2. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

Hong Kong, 11 November 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.