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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement dated 4 August 2022 in relation to relevant business acquisition, the announcement dated 14 October 2022 in relation to (I) completion of the acquisition; and (II) fulfilment of the first profit guarantee, the announcement dated 15 November 2022 in relation to fulfilment of the second profit guarantee, and the announcement dated 27 February 2023 in relation to fulfilment of the third profit guarantee of Shifang Holdings Limited (the "**Company**").

The Company hereby clarifies that the descriptions related to achieving the profit targets mentioned in the above announcements were based on the audit reports of Zhongjian Certified Public Accountants (中見會計師事務所) submitted to the Company by Baiming and Zhuoshi. Subsequently, during an on-site re-audit, PricewaterhouseCoopers ("**PwC**"), then auditor of the Company, founded that while the cash position and bank deposits of Baiming and Zhuoshi were consistent with those in the audit reports of Zhongjian Certified Public Accountants, the actual payment amounts for the majority of the sales contracts of Baiming and Zhuoshi exceeded the total contracted costs plus profits. The reason was that Baiming and Zhuoshi, when handling these sales contracts, used revenue from other newer sales contracts to heavily subsidize pre-existing sales contracts. In reality, such subsidies constituted marketing expenses. Therefore, after deducting these market subsidy costs, these sales contracts were actually loss-making and did not generate profits. Consequently, it is considered that the audit reports of Zhongjian Certified Public Accountants on the profits of Baiming and Zhuoshi were seriously misleading, and Baiming and Zhuoshi in fact failed to meet any of the profit targets agreed upon with the Company. On this basis, the shares issued by the Company to the designated recipients of Baiming and Zhuoshi constitute actual losses for the Company and must be recovered by the Company or re-placed to offset actual losses of the Company.

By order of the Board
ShiFang Holding Limited
Chen Ye
Co-Chairman

Hong Kong, 10 February 2026

As at the date of this announcement, the executive Directors are Mr. Chen Zhi and Mr. Chen Ye; the non-executive Director is Ms. Wang Bao Zhu; and the independent non-executive Directors are Mr. Chai Chung Wai, Mr. Lee Kam Wing Victor and Mr. Wei Hong.