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SHIFANG HOLDING LIMITED

十方控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1831)

**VERY SUBSTANTIAL ACQUISITION
IN RELATION TO
THE YONGTAI PROJECT TRANSACTIONS**

Reference is made to the Company's announcements dated 15 September 2017 and 27 November 2017 (the "**Yongtai Project Announcements**") in relation to the Framework Agreement on the Yongtai Project, the acquisition of the Operation Right over the Operation Site and the Operation Right Agreement.

At the time of the entering into of the Framework Agreement, the acquisition of the Operation Right and the Operation Right Agreement, the Company was formerly of the view that they should constitute discloseable transactions under Chapter 14 of the Listing Rules, as the applicable percentage ratios as calculated by either the refundable deposit payable by the Group to Yongtai Government under the Framework Agreement in the amount of RMB50 million, or the consideration for the acquisition of the Operation Right under the Operation Right Agreement in the amount of RMB28 million, exceeded 5% but were less than 25%.

On 27 February 2018, the Company received a decision from the Stock Exchange (the “**Decision**”) that the Group’s acquisition of the Operation Right should be aggregated with the Supreme Glory Acquisition under Rules 14.22 and 14.23 of the Listing Rules, taking into account the following: (a) the transactions would together lead to substantial involvement by the Company in a new business which did not previously form part of the Company’s principal businesses; and (b) the two acquisitions were conducted by the Company within a short period of time of only about 7 months. According to the Decision, when aggregated with the Supreme Glory Acquisition, the acquisition of the Operation Right should constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, as certain applicable percentage ratios would have exceeded 100%.

Upon aggregation with the Supreme Glory Acquisition, the acquisition of the Operation Right under the Operation Right Agreement would have constituted a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and shall be subject to reporting, circular and Shareholders’ approval requirements under the Listing Rules.

The Group’s participation in the Yongtai Project Transactions, including the Framework Agreement and the acquisition of the Operation Right, will be proposed at the EGM for Shareholders’ consideration, approval and ratification. As no Shareholder has a material interest in the Yongtai Project Transactions, no Shareholder is required to abstain from voting at the EGM in respect of the resolution relating to the Yongtai Project Transactions.

A circular containing, among other things, (i) further details of the Yongtai Project Transactions; (ii) a notice of EGM; and (iii) other information as required under the Listing Rules, is expected to be dispatched to the Shareholders on 27 March 2018.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the meanings ascribed to them below:

“Board”	the board of Directors
“Company”	ShiFang Holding Limited (十方控股有限公司) , a company incorporated under the laws of Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1831)
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving and ratifying the Yongtai Project Transactions
“Framework Agreement”	the strategic cooperation framework agreement entered into between the Group and Yongtai Government dated 15 September 2017 in respect of the Yongtai Project
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Operation Right”	the 40-years’ exclusive operation right to develop, construct, manage and operate commercial activities such as tourism, sightseeing, resort, culture, sports and entertainment in a 14.99 square kilometers site located in Yongtai County designated by Yongtai Government
“Operation Right Agreement”	the operation right agreement between Yongtai Project Company and Yongtai Government dated 20 December 2017 governing the grant of the Operation Right over the Operation Site
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supreme Glory Acquisition”	the proposed acquisition of Supreme Glory Limited by the Company under the sale and purchase agreement dated 8 May 2017, as disclosed in the Company’s announcement dated 8 May 2017
“Yongtai Government”	the People’s Government of Yongtai County, Fuzhou City, Fujian Province, the PRC
“Yongtai Project”	the distinctive small town project located in Yongtai Country as approved by Yongtai Government and founded by the Framework Agreement
“Yongtai Project Company”	福州功夫小鎮景區開發有限公司 (Fuzhou Kungfu Town Scenic Area Development Company Limited), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company

“Yongtai Project
Transactions”

collectively, the transactions contemplated by the Framework Agreement dated 15 September 2017 and the acquisition of the Operation Right under the Operation Right Agreement dated 20 December 2017

“%”

per cent.

For the purposes of illustration only, the amounts denominated in RMB in this announcement were translated into HK\$ at the rate of HK\$1.00 = RMB0.81.

By order of the Board
ShiFang Holding Limited
Siuming Tsui

Executive Director and Chief Executive Officer

Hong Kong, 26 March 2018

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.