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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN TWO WHOLLY
OWNED SUBSIDIARIES**

DISCLOSEABLE TRANSACTION

The Board announces that the Seller and the Purchaser signed a sale and purchase agreement (the “Agreement”) on 24 December 2014 (after trading hours), to dispose of 100% of the total issued share capital (“the Sale Shares”) in Olympia Media and Gloria Fair (“Disposed Companies”), both wholly owned subsidiaries of the Company, for a total cash consideration of RMB20,000. The consideration was agreed at after arm’s length negotiation with reference to the amount of the net liabilities of the Disposed Companies as at 30 November 2014.

The expected gain to the Company from the Transaction will be approximately RMB305,000.

IMPLICATIONS UNDER THE LISTING RULES

The Transaction under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date

24 December 2014 (after trading hours)

Parties

Seller: The Company, a company incorporated in the Cayman Islands

Purchaser: Qi Xie Limited (啟協有限公司), a company incorporated under the laws of Samoa

The Purchaser principally engages in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate owner are all Independent Third Parties. The Group or its ultimate owner has no transaction with the Purchaser and its ultimate owners in the past 12 months, which requires aggregation to this Transaction as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

Subject Matter of the Agreement:

Subject to the terms and conditions of the Agreement, the Seller will sell the Sale Shares to the Purchaser.

Information of the Disposed Group

The Disposed Group consists of the Disposed Companies and their subsidiaries and the Disposed Group does not have any profit-generating business operation. Based on the management accounts as at 30 November 2014, the net liabilities of the 100% interest in the Disposed Group as at 30 November 2014 amounted to RMB295,000. The assets of the Disposed Group include the Property, which was held by Fujian ShiFang Culture Communication Co., Ltd., a subsidiary, as at November 2014 and has an aggregate gross floor area of 327.64 square meters. The Property was valued by the Independent Valuer, on a current market value basis, at a total market value of RMB3,135,000.

The net losses before and after taxation of the Disposed Group for the two financial years ended 2012 and 2013 (prepared in accordance with the Hong Kong Accounting Standard) are as follows:

	Year ended 31 December 2012 Unaudited (RMB'000)	Year ended 31 December 2013 Unaudited (RMB'000)
Net loss before taxation	(30,731)	(106,280)
Net loss after taxation	(32,873)	(108,382)

The unaudited net liabilities of the Disposed Group as at 30 November 2014 was approximately RMB295,000, which was prepared in accordance with the Hong Kong Accounting Standards.

Consideration and Payment Terms

The consideration for the Transaction is RMB20,000, which shall be paid in the following manner.

(i)

The consideration was arrived at after arm's length negotiation between the Seller and the Purchaser with reference to the financial and trading position and prospects of the Disposed Companies.

The expected gain to the Company from the Transaction will be approximately RMB305,000 after deduction of the net liabilities of RMB295,000, and the expected legal and other related costs and expenses of approximately RMB10,000.

(ii)

Upon the signing of the share transfer agreement on 24 December 2014 (after trading hours), the Purchaser paid the consideration for the equity transfer of RMB20,000 to the Seller.

Conditions Precedent

Subject to the approval and passing of a resolution to authorize the signing and implementation of the Agreement by the Board (which has been fulfilled)

Completion

Upon the signing of the Agreement

REASONS FOR THE DISPOSAL

The Group is principally engaged in the business of integrated printed media, advertising and other auxiliary services in the People's Republic of China.

The Directors consider that the completion of the Disposal will facilitate the streamlining of the Company's structure and the reduction in costs and expenses. The Directors are of the view that the terms of the Transaction are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

USE OF NET PROCEEDS

The net proceeds from the Transaction is estimated to be RMB20,000, which will be used as the Company's liquid capital.

IMPLICATIONS UNDER THE LISTING RULES

The Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

After completion of the Transaction, the Group will not own any shareholding and equity interest in Olympia Media and Gloria Fair and their subsidiaries, and aforesaid companies will cease to be the subsidiaries of the Group.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the sale and purchase agreement dated 24 December 2014 entered into between the Purchaser and the Seller
“Olympia Media”	Olympia Media Holdings Limited (奧海傳媒集團有限公司), a company incorporated in the British Virgin Islands (BVI)
“Board”	the board of Directors of the Company
“Company”	ShiFang Holding Limited, a company incorporated in the Cayman Islands with limited liability principally engaged in the business of publishing and advertising in the People’s Republic of China and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Disposed Companies by the Company
“Disposed Companies”	Olympia Media and Gloria Fair
“Disposed Group”	Olympia Media and Gloria Fair and their subsidiaries
“Group”	the Company and its subsidiaries
“Gloria Fair”	Gloria Fair Limited (漢鼎有限公司), a company incorporated in Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Independent Valuer”	福建建友資產評估土地房地產估價有限責任公司, an Independent Third Party of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the premises located at Flats A2 and B1 on 6/F and parking space no. 06 on UG2, Hua Fu Building, Gutian Road, Gulou District, Fuzhou
“Purchaser”	Qi Xie Limited (啟協有限公司) , a company duly incorporated in Samoa principally engaged in investment with its registered office situated at TMF Chambers, P.O. Box 3269, Apia, Samoa
“Sale Shares”	100% shareholding and all the equity interest in Olympia Media and Gloria Fair
“Seller”	the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Transaction”	the sale of 100% shareholding and all the equity interest in Olympia Media and Gloria Fair by the Seller, as the vendor, to the Purchaser pursuant to the Agreement
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

By Order of the Board of
ShiFang Holding Limited
Chen Zhi
Chairman

Hong Kong, 24 December 2014

As at the date of this announcement, the executive Directors are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng, Mr. Zhang Tie Zhu and Mr. Yu Shi Quan; the non-executive Directors are Mr. Wang Ping 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.