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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 A WHOLLY
OWNED SUBSIDIARY**

DISCLOSEABLE TRANSACTION

The Board announces that the Sellers and the Purchaser signed two equity transfer agreements respectively (the “Agreements”) on 12 May 2015 (after trading hours), to dispose of 100% of the total issued share capital in Fuzhou AoHai, a indirectly wholly owned subsidiary of the Company, for a total cash consideration of RMB10,000. The consideration was agreed at after arm’s length negotiation with reference to the net ownership interests of Fuzhou AoHai as at 30 April 2015 and its financial and trading prospect.

The expected gain to the Company from the Transaction is approximately RMB3,823.

LISTING RULES IMPLICATION

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

THE AGREEMENTS

(1) Equity Transfer Agreement 1

Date

12 May 2015 (after the trading hours)

Parties

Seller 1: Fuzhou DingCe Culture Communication Co., Ltd., a company incorporated under the laws of the PRC.

Purchaser: 福建安縵陳設設計有限公司, a company incorporated under the laws of the PRC.

Subject Matter to the Equity Transfer Agreement 1:

According to the terms and conditions of the Equity Transfer Agreement 1, the Seller 1 agreed to sell and the Purchaser agreed to acquire 60% of the total issued share capital in Fuzhou AoHai for a cash consideration of RMB6,000.

(2) Equity Transfer Agreement 2

Date

12 May 2015 (after the trading hours)

Parties

Seller 2: Fuzhou ShiFangCe Culture Media Co., Ltd., a company incorporated under the laws of the PRC.

Purchaser: 福建安縵陳設設計有限公司, a company incorporated under the laws of the PRC.

Subject Matter to the Equity Transfer Agreement 2:

According to the terms and conditions of the Equity Transfer Agreement 2, the Seller 2 agreed to sell and the Purchaser agreed to acquire 40% of the total issued share capital in Fuzhou AoHai for a cash consideration of RMB4,000.

As such, according to the terms and conditions of the Agreements, the Sellers agreed to sell and the Purchaser agreed to acquire 100% of the total issued share capital in Fuzhou AoHai for a cash consideration of RMB10,000.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate effective owner are all Independent Third Parties. The Group or its ultimate effective owner has no transaction with the Purchaser, and its ultimate effective 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.

(3) Information relating to the Fuzhou AoHai

Fuzhou Aohai does not have any profit-generating business operation currently. Based on the management accounts as at 30 April 2015, the ownership interests of Fuzhou AoHai as at 30 April 2015 amounted to RMB6,177.

The net loss before and after taxation of Fuzhou AoHai for the two financial years ended 2013 and 2014 (prepared in accordance with the Hong Kong Accounting standard) are as follows:

	Year ended 31 December 2013 Unaudited (RMB'000)	Year ended 31 December 2014 Unaudited (RMB'000)
Net loss before taxation	(6,319)	(33,189)
Net loss after taxation	(6,721)	(33,189)

The unaudited total net assets amount of Fuzhou AoHai as at 30 April 2015 was approximately RMB6,177, which was prepared in accordance with Hong Kong Accounting Standards.

(4) Consideration and payment terms of the Agreements

The consideration for the Transaction is RMB10,000, which was arrived at after arm's length negotiation between the Sellers and the Purchaser with reference to the net ownership interests of Fuzhou AoHai as at 30 April 2015 and its financial and trading prospect.

The expected gain to the Company from the Transaction will be approximately RMB3,823.

Within 30 days after the signing of the Agreements on 12 May 2015, the Purchaser shall pay the total consideration of RMB10,000 to the Sellers.

(5) Conditions Precedent to the Agreements

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

(6) Completion

Upon the signing of the Agreements.

REASONS FOR THE TRANSACTION

The Group is principally engaged in the business of publishing and advertising in the PRC.

As Fuzhou Aohai does not have any profit-generating business operation currently, the Directors consider that the Transaction will facilitate the streamlining of the Company's structure and reduction in costs and expenses. The Directors are of the view that the terms of the Transaction is 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 RMB10,000, which will be used as the Group's working capital.

IMPLICATIONS UNDER THE LISTING RULES

The Transaction constitutes a discloseable transaction for 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 Fuzhou AoHai, which will cease to be a subsidiary of the Group.

DEFINITIONS

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

“Agreements”	two equity transfer agreements dated 12 May 2015 entered into between the Purchaser and the Sellers
“Board”	the board of Directors of the Company
“Company”	ShiFang Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and is principally engaged in the business of publishing and advertising in the PRC
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Fuzhou AoHai”	Fuzhou AoHai Advertisement Co., Ltd., a company incorporated under the laws of the PRC
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties independent of the Company and its connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	福建安縵陳設設計有限公司, a company incorporated under the laws of the PRC and having its registered office situated at Unit 1205, 2/F, Block 1, Stait Creative Industry Park, 1 Jingong Road, Jiansheng Township, Cangshan District, Fuzhou, Fujian Province, whose principal business is commercial display design, artistic display design, interior design, hotel design, landscape design and home appliance design
“PRC”	the People’s Republic of China
“Sellers”	Seller 1 and Seller 2
“Seller 1”	Fuzhou DingCe Culture Communication Co., Ltd., a company incorporated under the laws of the PRC, and an indirect wholly owned subsidiary of the Company, which principally engaged in the development of various software and computer and mobile phone hardware, as well as the development, implementation and promotion of computer network projects

“Seller 2”	Fuzhou ShiFangCe Culture Media Co., Ltd., a company incorporated under the laws of the PRC, and an indirect wholly owned subsidiary of the Company, which principally engaged in the design, production, distribution and publication of advertisements
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meanings as defined under the Listing Rules
“Transaction”	the sale of 100% shareholdings and all the equity interest in Fuzhou AoHai by the Sellers as the vendors to the Purchaser pursuant to the Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 12 May 2015

As at the date of this announcement, the executive directors of the Company are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng, Mr. Zhang Tie Zhu and Mr. Yu Shi Quan; the non-executive director of the Company are Mr. Chen Wei Dong and Ms. Chen Min; and the independent non-executive directors of the Company are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry and Mr. Cai Jian Quan.