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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)

RESIGNATION OF EXECUTIVE DIRECTOR, APPOINTMENT OF EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN

RESIGNATION OF EXECUTIVE DIRECTOR

Mr. Zhang Tie Zhu has resigned as an executive Director with effect from 25 February 2016.

APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Shi Jianxiang has been appointed as an executive Director and a member of the Nomination Committee with effect from 25 February 2016.

CHANGE OF CHAIRMAN

With effect from 25 February 2016:

- (1) Mr. Chen Zhi ceased to be the chairman of the Board and a member of the Nomination Committee but remains as an executive Director; and
- (2) Mr. Shi Jianxiang has become the chairman of the Board.

RESIGNATION OF EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of ShiFang Holding Limited (the “**Company**”) announces that with effect from 25 February 2016, Mr. Zhang Tie Zhu (“**Mr. Zhang**”) has resigned as executive director of the Company (the “**Director**”) due to his decision to pursue other personal developments.

Mr. Zhang has confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation as an executive director of the Company.

The Board would like to take this opportunity to express its gratitude to Mr. Zhang for his valuable contributions to the Company in the past years.

APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Shi Jianxiang (“**Mr. Shi**”) has been appointed as an executive Director and a member of the Nomination Committee with effect from 25 February 2016.

Mr. Shi, aged 51, is a famous film producer, director and merchant. He currently serves as the chairman of Shanghai Kuailu Investment Group Co., Ltd.. Mr. Shi graduated from Shanghai University in 1987, was an Honorary Academician of Cambridge University and received Doctor’s degree from Nobel Business School. He is also decorated with numerous awards, including ‘The most influential film investor’, ‘China’s Famous Movie Producer’, ‘Sino-US Film Producer – Outstanding Contribution Award’ and ‘Hong Kong Outstanding Producer’, Mr. Shi served as a member of the Shanghai Municipal Committee of the Chinese People’s Political Consultative Conference, a member of Shanghai Committee of China Zhi Gong Party, the vice chairman of China Association of Microfinance, the co-chairman of Chinese American Film Festival, the vice chairman of the Shanghai Cultural Development Association, the vice president of Shanghai Charity Foundation, Changning Branch, the vice-chairman of Shanghai Changning District Literary and Art Federation and the vice chairman of the Association of Industry and Commerce in Changning District of Shanghai.

Pursuant to the service contract entered with the Company, Mr. Shi is appointed as executive Director of the Company for an initial term of three years commencing from his appointment date (i.e 25 February 2016) subject to termination by either party with two months' written notice in advance. He will be subject to re-election by the Company at general meeting. Mr. Shi will be entitled to receive a Director's fee of HK\$4,800,000 per annum. The fee was set by the Remuneration Committee with reference to the duties and responsibilities within the Company and prevailing market conditions.

Mr. Shi was the subscriber under the subscription agreement dated 22 December 2015 entered into between the Company and Mr. Shi in relation to subscription (the "**Subscription**") of 160,000,000 new shares of the Company (the "**Subscription Shares**") by Mr. Shi at the subscription price of HK\$0.80 per Subscription Share. The Subscription was completed on 19 February 2016. As at the date of this Announcement, Mr. Shi holds 186,850,000 shares of the Company.

Save as disclosed above, as at the date of this announcement, Mr. Shi did not have any other interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. Shi declared that as at the date hereof, he does not have any relationship with any director, senior management or substantial or controlling shareholder (as defined in the Rules Governing the Listing of Securities in the Stock Exchange of Hong Kong Limited ("**Listing Rules**")) of the Company.

Save as disclosed above, Mr. Shi confirmed that there is no other information required to be disclosed pursuant to rule 13.51(2) of the Listing Rules, and the Company is not aware of any other matters in relation to his appointment that need to be brought to the attention of the shareholders of the Company.

The Company would like to extend a warm welcome to Mr. Shi for joining the Board.

CHANGE OF CHAIRMAN

With effect from 25 February 2016:

- (1) Mr. Chen Zhi ceased to be the chairman of the Board and a member of the Nomination Committee but will remain as an executive Director; and
- (2) Mr. Shi has become the chairman of the Board.

By the Order of the Board
ShiFang Holding Limited
Tsui Yiu Ming Siuming
Executive Director (Chief Executive Officer)

Hong Kong, 25 February 2016

As at the date of this announcement, the executive Directors are Mr. Shi JianXiang (Chairman), Mr. Chen Zhi, Mr. Tsui Yiu Ming Siuming (Chief Executive Officer) and Mr. Yu Shiquan; the non-executive Directors are Mr. Chen Wei Dong, Ms. Chen Min and Mr. Zhou Xu Xiang; and the independent non-executive Directors are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Cai Jianquan and Mr. Ng See Yuen.