SHIFANG HOLDING LIMITED
十方控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1831)

CLARIFICATION OF MEDIA REPORTS

The board of directors of ShiFang Holding Limited (the "**Company**") has recently noted certain untrue media reports about the Company and its businesses (the "**Reports**") which have greatly affected the reputation of the Company. The board of directors hereby solemnly clarifies the untrue Reports as follows:

1. The Company is not howsoever related to, and does not have any business transaction with, Shanghai Kuailu Investment Group Co., Ltd. or its holding company.

2. The Company is only an investor in the income rights of the movie 《葉問3》 (Ip Man 3) and is not participating in any financing activities of the movie.

3. On 1 April 2016, Dr. Shi Jianxiang has resigned as the chairman of the board of directors, executive director and member of the nomination committee of the Company due to his health reasons and is now only a shareholder of the Company. The Company considers the Reports in the media to be inappropriately vague about the relations between the Company and Dr. Shi and that such vagueness may cause misunderstanding among readers.

4. Furthermore, Dr. Shi only holds less than 15.5% of the issued share capital of the Company. He does not exert any influence on the Company's affairs. In the circumstances, the Company considers that the personal affairs of Dr. Shi would not have any implications to the financial or trading position and prospect of the Company.

5. The Company has always been operated and managed by a professional team which is experienced in governance and knowledgeable about the Chinese film and television industry. It has a sound financial position and is now running as normal.

This clarification announcement is made by the Company to appreciate the public concern about it and to express deep regret about the recent Reports in the media. The Company reserves its right to take legal action against any act that would prejudice its image and the interests of its investors.

By the order of the board of directors
ShiFang Holding Limited
Siuming Tsui
Executive Director (Chief Executive Officer)

Hong Kong, 4 May 2016

As at the date of this announcement, the executive directors of the Company are Mr. Chen Zhi, Mr. Siuming Tsui (Chief Executive Officer) and Mr. Yu Shiquan; the non-executive directors 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, Mr. Cai Jianquan and Mr. Ng See Yuen.