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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on information currently available, the Group is expected to record a loss for the year ended 31 December 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by ShiFang Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (“**Directors**”) of the Company (the “**Board**”) would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that based on information currently available, the Group is expected to record a loss for the year ended 31 December 2016.

Based on information currently available to the Group, the factors attributable to the loss mainly include (a) the continual decline in the revenue of the Group's newspaper advertising business which was adversely affected by competition from new online media and the receding economic growth in China; and (b) the increase in staff costs and rental expenses incidental to the diversification and business development efforts of the Group.

The Company is still in the process of finalising the audited consolidated results of the Group for the year ended 31 December 2016. The information contained in this announcement is only a preliminary assessment made by the Board based on currently available information and such information has not been audited or reviewed by the Company's auditor. Details of the Group's annual results will be disclosed in the results announcement of the Company for the year ended 31 December 2016, which is currently expected to be released in March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
ShiFang Holding Limited
Siuming Tsui

Executive Director and Chief Executive Officer

Hong Kong, 16 January 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Siuming Tsui (Chief Executive Officer), Mr. Chen Zhi 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 and Mr. Cai Jianquan.