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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**

DISCLOSABLE TRANSACTION

The Board announces that the Seller and the Purchaser signed an equity transfer agreement (the “Agreement”) on 24 December 2015 (after trading hours), to dispose of 100% of the total issued share capital (“the Sale Shares”) in Greatest Ocean and Hung Hing To Publishing (“Disposed Companies”), both wholly owned subsidiaries 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 amount of the net assets of the Disposed Companies as at 30 November 2015.

The expected gain to the Company from the Transaction is approximately RMB3,368.

LISTING RULES IMPLICATION

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

THE AGREEMENT

Date

24 December 2015 (after the trading hours)

Parties

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

Purchaser: Chung Tai Limited, 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 2015 the net amount of the 100% interest in the Disposed Group as at 30 November 2015 amounted to RMB6,632.

The net loss before and after taxation of the Disposed Group 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	Year ended 31 December 2014
	Unaudited (RMB'000)	Unaudited (RMB'000)
Net loss before taxation	(100,114)	(84,017)
Net loss after taxation	(101,503)	(87,153)

The unaudited net assets value of the Disposed Group as at 30 November 2015 was approximately RMB6,632, which was prepared in accordance with the Hong Kong Accounting Standard.

Consideration and payment terms

The consideration for the Transaction is RMB10,000, which was arrived at after arm's length negotiation between the Seller and the Purchaser with reference to the net assets of the Disposed Group as at 30 November 2015.

The expected gain to the Company from the Transaction will be approximately RMB3,368.

Upon the signing of the Agreements on 24 December 2015 (after trading hours), the Purchaser shall pay the total consideration for the equity transfer of RMB10,000 to the Seller.

Conditions Precedent

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).

Completion

Upon the signing of the Agreement.

REASONS FOR THE TRANSACTION

The Group is principally engaged in the business of integrated printed media, advertising and other auxiliary services in the PRC.

As the Disposed Group 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 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 RMB10,000, which will be used as the Group's liquid 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 the Disposed Group, which 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 transfer equity agreement dated 24 December 2015 entered into between the Seller and the Purchaser
“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 People’s Public of China
“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”	Greatest Ocean Limited and Hung Hing To Publishing Limited
“Disposed Group”	Greatest Ocean Limited and Hung Hing To Publishing Limited and their subsidiaries
“Greatest Ocean”	Greatest Ocean Limited, a company incorporated in Hong Kong
“Group”	the Company and its subsidiaries
“Hong Hing To Publishing”	Hong Hing To Publishing Limited, a company incorporated in the British Virgin Islands
“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
“PRC”	the People’s Republic of China
“Purchaser”	Chung Tai Limited, a company incorporated under the laws of Samoa and having its registered office situated at Level 5, Development Bank of Samoa Building, Beach Road, Apia, Samoa
“Seller”	the Company
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meanings as defined under the Listing Rules
“Transaction”	the sale of 100% shareholdings and all the equity interest in the Disposed Group by the Seller to the Purchaser pursuant to the Agreements
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

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

Hong Kong, 24 December 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 and Mr. Tsui Yiu Ming Siuming; the non-executive directors of the Company are Mr. Chen Wei Dong and Ms. Chen Min; and the independent nonexecutive directors of the Company are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Cai Jian Quan and Mr. Zhou Xu Xiang.