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If you have sold or transferred all your securities in **ShiFang Holding Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**PROPOSED SUBSCRIPTIONS OF NEW SHARES
UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



金融有限公司
OCTAL Capital Limited

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held on Wednesday, 17 February 2016 at 10:00 a.m. at Cliftons, Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

28 January 2016

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Announcement”	the announcement dated 22 December 2015 of the Company relating to (i) strategic cooperation memorandum of understanding for the Proposed Project Participation of Target Media Project; and (ii) proposed Subscriptions of new Shares under Specific Mandate
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day that is not a Saturday, a Sunday or a day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon, or a day on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon or other day on which banks are required or authorised by law to be closed in Hong Kong
“Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Company”	ShiFang Holding Limited (十方控股有限公司), a company incorporated under the laws of Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1831)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened on 17 February 2016 for the purposes of considering, and if thought fit, approving the Subscriptions and the respective transactions contemplated thereunder

DEFINITIONS

“Formal Agreement(s)”	Formal sale and purchase agreement(s) to be entered into between YSOLDE and Hehe Film in respect of the strategic cooperation (and where necessary formal sale and purchase agreement(s) for the participation in the existing media project(s) of Hehe Film)
“Greater China Financial”	Greater China Financial Holdings Limited 大中華金融控股有限公司, a company incorporated in Bermuda with limited liability and the shares are listed on the Main Board of the Stock Exchange (Stock Code: 431)
“Group”	the Company and its subsidiaries
“Hehe Film”	上海合禾影視投資有限公司 (Shanghai Hehe Film Investment Ltd.*), a company incorporated in Shanghai, the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	individual(s), professional(s) or institutional investor(s) also are independent of and not connected with the Company, any promoter(s), director(s), supervisor(s), chief executive(s), substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)
“Last Trading Day”	22 December 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of the Announcement
“Latest Practicable Date”	27 January 2016, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (exclude the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market Board of the Stock Exchange

DEFINITIONS

“MOU”	the strategic cooperation memorandum of understanding dated 22 December 2015 entered into between the Company and Hehe Film in relation to proposed strategic cooperation to jointly invest in the production and distribution of motion pictures, including the Proposed Project Participation
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Proposed Project Participation”	the proposed acquisition by the Company of Target Income Right
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the EGM for the allotment and issue of 160,000,000 Subscription A Shares and 40,000,000 of Subscription B Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Collectively, Subscriber A and Subscriber B and a “Subscriber” means any or each of them
“Subscriber A”	Mr. Shi Jianxiang (施建祥), being the Subscriber under the Subscription Agreement A, who is an Independent Third Party

DEFINITIONS

“Subscriber B”	Summit Yield Developments Limited, a company incorporated in the British Virgin Islands with limited liability which is a wholly-owned subsidiary of Greater China Financial
“Subscriptions”	Collectively, Subscription A and Subscription B and a “Subscription” means any or each of them
“Subscription A”	The subscription of the Subscription A Shares by the Subscriber A at the Subscription Price pursuant to the Subscription Agreement A
“Subscription B”	The subscription of the Subscription B Shares by the Subscriber B at the Subscription Price pursuant to the Subscription Agreement B
“Subscription Agreements”	Collectively, Subscription Agreement A and Subscription Agreement B and a “Subscription Agreement” means any or each of them
“Subscription Agreement A”	the conditional subscription agreement dated 22 December 2015 entered into between the Company and the Subscriber A in relation to the Subscription A
“Subscription Agreement B”	the conditional subscription agreement dated 22 December 2015 entered into between the Company and the Subscriber B in relation to the Subscription B
“Subscription A Shares”	160,000,000 Shares to be subscribed by the Subscriber A under the Subscription Agreement A
“Subscription B Shares”	40,000,000 Shares to be subscribed by the Subscriber B under the Subscription Agreement B
“Subscription Completion”	Completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Subscription Completion Date”	means the third Business Day after fulfilment or waiver by the Subscribers (as the case may be) of all the conditions precedent or such other date as may be agreed by the Company and the Subscribers in writing
“Subscription Price”	HK\$0.80 per Subscription Share

DEFINITIONS

“Subscription Shares”	Collectively, Subscription A Shares and Subscription B Shares
“Target Income Right”	at least 60% of the net income of the Target Media Project from box office in the PRC, being the gross box office receipts of the Target Media Project from distribution and screening in cinemas after deduction of the monies payable to National Film Industry Development Special Fund, value added tax and surcharges, the amounts of the gross box office receipts shared by cinemas and cinema circuits and the investment costs (including promotional expenses) of the Target Media Project
“Target Media Project”	《3D葉問3》(Ip Man 3 in 3D)
“YSOLDE”	YSOLDE Group Limited, a company incorporated in Samoa with limited liability which is a wholly-owned subsidiary of the Company
“%”	per cent.

* For identification purpose only

For the purposes of illustration only, any amount denominated in RMB in this circular was translated into HK\$ at the rate of HK\$1 = RMB0.83519 (being the RMB central parity rate by the People’s Bank of China as at 22 December 2015). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

This circular has been printed in English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

LETTER FROM THE BOARD



SHIFANG HOLDING LIMITED

十方控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1831)

Executive Directors:

Mr. Chen Zhi (*Chairman*)

Mr. Hong Pei Feng

Mr. Zhang Tie Zhu

Mr. Yu Shi Quan

Mr. Tsui Yiu Ming Siuming

Registered Office:

PO. Box 309, Ugland House

Grand Cayman, KY-1104

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong*

The Landmark, 18/F, Edinburgh Tower

15 Queen's Road Central

Hong Kong

Non-executive Directors:

Mr. Chen Wei Dong

Ms. Chen Min

Independent Non-executive Directors:

Mr. Zhou Chang Ren

Mr. Wong Heung Ming, Henry

Mr. Cai Jianquan

Mr. Zhou Xu Xiang

28 January 2016

To the Shareholders,

Dear Sir or Madam,

**PROPOSED SUBSCRIPTIONS OF NEW SHARES
UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the EGM for (i) proposed Subscriptions of new Shares under Specific Mandate; and (ii) to give you the notice of the EGM.

LETTER FROM THE BOARD

THE SUBSCRIPTIONS

The Subscription Agreement A

Date: 22 December 2015 (after trading hours)

Parties (i) Issuer: The Company

(ii) Subscriber: The Subscriber A is a film producer and merchant.

As at the Latest Practicable Date, the Subscriber A does not hold any Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber A is an Independent Third Party and is third party independent of, and not acting in concert (as defined under the Code) with and not connected with the other Subscriber and its ultimate beneficial owner(s)

Principal terms of the Subscription Agreement A

Subscription A Shares: The Subscriber A has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 160,000,000 new Shares at the Subscription Price.

The 160,000,000 Subscription A Shares represents (i) approximately 15.89% of the existing issued share capital of the Company of 1,006,942,121 Shares as at the Latest Practicable Date; and (ii) approximately 13.71% of the issued share capital of the Company of 1,166,942,121 Shares as enlarged by the allotment and issue of the Subscription A Shares. The aggregate nominal value of the Subscription A Shares is HK\$16,000,000.

LETTER FROM THE BOARD

Conditions precedent
for the Subscription A:

The following shall be conditions precedent to
Subscription Completion that prior thereto:

- (a) the Stock Exchange has granted the listing of, and permission to deal in, the relevant Subscription A Shares and such approval has not been revoked prior to the Subscription Completion;
- (b) (i) the representations and warranties given by the Company therein remaining true, accurate and correct in all material respects from the date of the Subscription Agreement A and at any time before the Subscription Completion, and (ii) the Company having performed all its obligations thereunder expressed to be performed on or before Subscription Completion;
- (c) the passing by the Shareholders of the Company in a general meeting of an ordinary resolution approving the subscription of the relevant Subscription A Shares by the Subscriber A pursuant to the terms of the Subscription Agreement A and the allotment and issuance of the relevant Subscription A Shares in accordance with the requirements of the Listing Rules, its articles of association and as required by law; and
- (d) all the required government and/or regulatory and internal corporate approvals (including, without limitation, the Board's approval for the transactions contemplated herein) having been obtained as necessary for the Company to issue the relevant Subscription A Shares and perform its obligations under the Subscription Agreement A.

The Subscriber A may at any time in writing waive in part or in full any of the above conditions, save for the conditions set out in the conditions (a), (c) and (d).

LETTER FROM THE BOARD

In the event of the condition referred to in the condition (c) not having been fulfilled or waived by 31 March 2016 (or such later date as may be agreed in writing by the Subscriber A and the Company), all rights, obligations and liabilities of the Subscriber A and the Company hereunder shall cease and terminate and none of the Subscriber A and the Company shall have any claim against any other in respect of the Subscription A, save for any antecedent breaches of the Subscription Agreement A.

Termination:

Notwithstanding anything contained herein, the Subscriber A may, by written notice to the Company given at any time prior to the time the Subscriber A is required to make payment of the relevant Subscription Price to the Company pursuant to the Subscription Agreement A, terminate the Subscription Agreement A upon the occurrence of any of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber A any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement A or any failure by the Company to perform any of its undertakings or obligations in the Subscription Agreement A expressed to be performed by it prior to a completion and such breach or event, having been notified to the Company by the Subscriber A in writing, remains unrectified (to the extent which can be rectified) after 5 Business Days after the notification; and
- (b) if from the date of the Subscription Agreement A to a completion date there shall have occurred either of the following:
 - (i) a suspension or material limitation of trading of the Shares on the Stock Exchange; or

LETTER FROM THE BOARD

- (ii) a suspension in trading in the Shares on the Stock Exchange for a consecutive period of 5 trading days (save in respect of any suspension in trading of the Shares (a) for the purposes of clearing the relevant announcement or otherwise in relation to the transactions contemplated in or relating to the Subscription Agreement A, and (b) which is of a routine nature).

Upon the above notice being given, the Subscription Agreement A shall terminate and be of no further effect and the Company and the Subscriber A shall not be under any liability to the other party in respect of the Subscription A which have not been completed, except that the Company and the Subscriber A shall remain liable for any liability arising prior to such termination.

Ranking of the Subscription
A Shares:

The Subscription A Shares will rank *pari passu* and carry the same rights in all aspects as the other Shares in issue as at the Subscription Completion Date.

Subscription Completion:

Subject to the satisfaction (or waiver as the case may be) of the above conditions precedent, Subscription Completion shall take place on the Subscription Completion Date, at the Company's office in Hong Kong and each party shall perform its respective obligations in accordance with the terms and conditions of the Subscription Agreement A.

The Subscription Agreement B

Date: 22 December 2015 (after trading hours)

Parties (i) Issuer: The Company

(ii) Subscriber: The Subscriber B is a wholly-owned subsidiary of Greater China Financial.

LETTER FROM THE BOARD

Greater China Financial is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 431). It is principally engaged in (i) investment holding; (ii) industrial property development; (iii) general trading including trading of metal materials; and (iv) pawnshop business.

As at the Latest Practicable Date, the Subscriber B and Greater China Financial do not hold any Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber B and its ultimate beneficial owner(s) are the Independent Third Party(ies) and are the third party(ies) independent of, and not acting in concert (as defined under the Code) with and not connected with other Subscriber and their ultimate beneficial owner(s).

Principal terms of the Subscription Agreement B

Subscription B Shares:

The Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 40,000,000 new Shares at the Subscription Price.

The 40,000,000 Subscription B Shares represents (i) approximately 3.97% of the existing issued share capital of the Company of 1,006,942,121 Shares as at the Latest Practicable Date; and (ii) approximately 3.82% of the issued share capital of the Company of 1,046,942,121 Shares as enlarged by the allotment and issue of the Subscription B Shares. The aggregate nominal value of the Subscription B Shares is HK\$4,000,000.

LETTER FROM THE BOARD

Conditions precedent
for the Subscription B:

The following shall be conditions precedent to
Subscription Completion that prior thereto:

- (a) the Stock Exchange has granted the listing of, and permission to deal in, the relevant Subscription B Shares and such approval has not been revoked prior to the Subscription Completion;
- (b) (i) the representations and warranties given by the Company therein remaining true, accurate and correct in all material respects from the date of the Subscription Agreement B and at any time before the Subscription Completion, and (ii) the Company having performed all its obligations thereunder expressed to be performed on or before Subscription Completion;
- (c) the passing by the Shareholders of the Company in a general meeting of an ordinary resolution approving the subscription of the relevant Subscription B Shares by the Subscriber B pursuant to the terms of the Subscription Agreement B and the allotment and issuance of the relevant Subscription B Shares in accordance with the requirements of the Listing Rules, its articles of association and as required by law; and
- (d) all the required government and/or regulatory and internal corporate approvals (including, without limitation, the Board's approval for the transactions contemplated herein) having been obtained as necessary for the Company to issue the relevant Subscription B Shares and perform its obligations under the Subscription Agreement B.

The Subscriber B may at any time in writing waive in part or in full any of the above conditions, save for the conditions set out in the conditions (a), (c) and (d).

LETTER FROM THE BOARD

In the event of the condition referred to in the condition (c) not having been fulfilled or waived by 31 March 2016 (or such later date as may be agreed in writing by the Subscriber B and the Company), all rights, obligations and liabilities of the Subscriber B and the Company hereunder shall cease and terminate and none of the Subscriber B and the Company shall have any claim against any other in respect of the Subscription B, save for any antecedent breaches of the Subscription Agreement B.

Termination:

Notwithstanding anything contained herein, the Subscriber B may, by written notice to the Company given at any time prior to the time the Subscriber B is required to make payment of the relevant Subscription Price to the Company pursuant to the Subscription Agreement B, terminate the Subscription Agreement B upon the occurrence of any of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber B any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement B or any failure by the Company to perform any of its undertakings or obligations in the Subscription Agreement B expressed to be performed by it prior to a completion and such breach or event, having been notified to the Company by the Subscriber B in writing, remains unrectified (to the extent which can be rectified) after 5 Business Days after the notification; and
- (b) if from the date of the Subscription Agreement B to a completion date there shall have occurred either of the following:
 - (i) a suspension or material limitation of trading of the Shares on the Stock Exchange; or

LETTER FROM THE BOARD

- (ii) a suspension in trading in the Shares on the Stock Exchange for a consecutive period of 5 trading days (save in respect of any suspension in trading of the Shares (a) for the purposes of clearing the relevant announcement or otherwise in relation to the transactions contemplated in or relating to the Subscription Agreement B, and (b) which is of a routine nature).

Upon the above notice being given, the Subscription Agreement B shall terminate and be of no further effect and the Company and the Subscriber B shall not be under any liability to the other party in respect of the Subscription B which have not been completed, except that the Company and the Subscriber B shall remain liable for any liability arising prior to such termination.

Ranking of the Subscription
B Shares:

The Subscription B Shares will rank *pari passu* and carry the same rights in all aspects as the other Shares in issue as at the Subscription Completion Date.

Subscription Completion:

Subject to the satisfaction (or waiver as the case may be) of the above conditions precedent, Subscription Completion shall take place on the Subscription Completion Date, at the Company's office in Hong Kong and each party shall perform its respective obligations in accordance with the terms and conditions of the Subscription Agreement B.

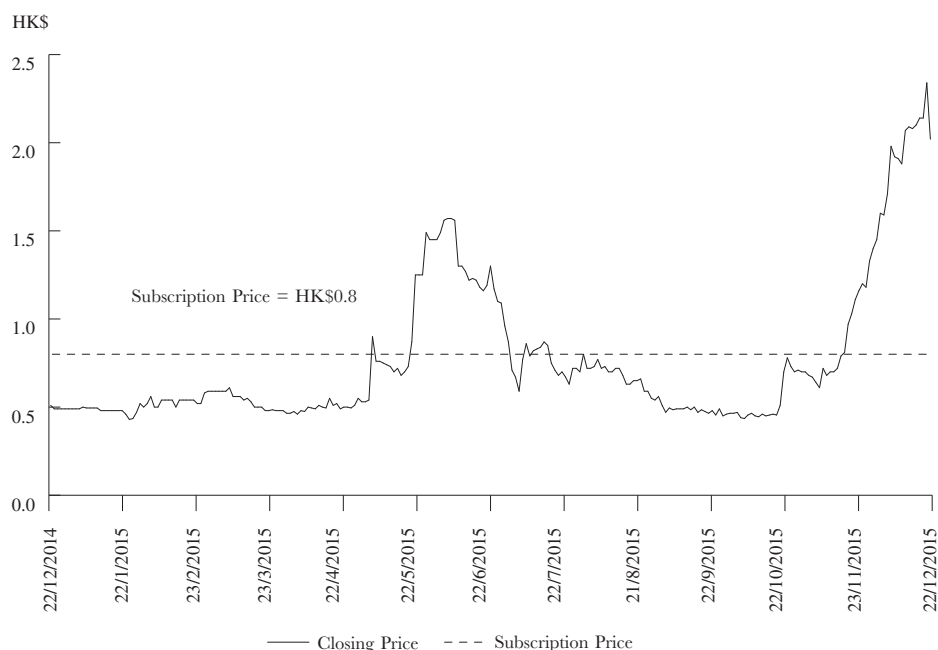
The Subscriptions are not inter-conditional on each other and are subject to the satisfaction of the conditions precedent respectively set out in each of the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Subscription Price

In negotiating the Subscription Price with the Subscribers, the Board has considered the Share prices level for the past 12 months prior to the signing of the Subscription Agreements (the “**Review Period**”). During the Review Period, the closing price of the Shares ranged from HK\$0.43 to HK\$2.34 and the closing prices of the Shares on 186 trading days out of the total 247 trading days (representing approximately 75.30% of the total number of trading days) were below the Subscription Price. In addition, the Share price has generally remained at below the Subscription Price before mid November 2015 and increased substantially afterward from mid November 2015 to December 2015.

The chart below illustrates the movement of the daily closing Share prices during the Review Period:



In addition to the above, the Company also takes into account of (i) the consecutive loss making position of the Group since the financial years ended 31 December 2012; (ii) the Subscription Price representing a premium of 344.44% over the consolidated net asset value per Share of approximately HK\$0.18 (based on the latest published unaudited net asset value of the Group of RMB151,415,000 (equivalent to approximately HK\$181,294,077) as at 30 June 2015 and 1,006,942,121 Shares in issue as at the Last Trading Day); and (iii) the possible going concern issue addressed in the interim report of the Group for the six months period ended 30 June 2015 which is attributable to the Group’s loss position and hence its net cash outflow from operating activities. The Group has been imposing strict capital risk management through obtaining short term bank borrowing, streamlining the Group’s operational structure and nonperforming business, liquidating asset held for sale and raising new capital through the placing of new Shares under specific mandate in order to ensure working capital sufficiency. The

LETTER FROM THE BOARD

Directors consider the Subscriptions will further strengthen the Group's capital position. With a view to improve the Group's operation and profitability in near term, the Directors consider the Target Media Project represents a valuable strategic investment opportunity. The Subscription Price is determined after arm's length negotiations between the Company and the Subscribers,

The Subscription Price represents:

- (i) a discount of approximately 60.40% to the closing price of HK\$2.02 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;
- (ii) a discount of approximately 62.96% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements;
- (iii) a discount of approximately 54.55% to the average closing price of approximately HK\$1.76 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements;
- (iv) a discount of approximately 44.83% to the average closing price of approximately HK\$1.45 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements;
- (v) a discount of approximately 20% to the average closing price of approximately HK\$1.00 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements;
- (vi) a discount of approximately 60.98% to the average closing price of approximately HK\$2.05 per Share as quoted on the Stock Exchange at the Latest Practicable Date; and
- (vii) a premium of approximately 344.44% over the consolidated net asset value per Share of approximately HK\$0.18 (based on the latest published unaudited net asset value of the Group of RMB151,415,000 (equivalent to approximately HK\$181,294,077) as at 30 June 2015 and 1,006,942,121 Shares in issue as at the Last Trading Day).

LETTER FROM THE BOARD

Based on the Subscription Price of HK\$0.80, the aggregated value of the 200,000,000 Subscription Shares is approximately HK\$160,000,000.

The Directors are of the opinion that the Subscription Price is fair and reasonable, on normal commercial terms, and is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Description	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds (approximately)
18 November 2015	Placing of new Shares under general mandate	HK\$115 million	For general working capital purpose	(i) approximately HK\$3 million was used for general working capital of the Group (ii) the remaining balance of approximately HK\$112 million was maintain in the Group's bank account and is intended to be used as general working capital of the Group

Save as disclosed above, the Company has not conducted any capital raising activities in the 12 months preceding the date of the Announcement and up to the Latest Practicable Date.

USE OF PROCEEDS AND THE REASONS FOR THE SUBSCRIPTIONS

Assuming the successful completion of the Subscriptions, the maximum gross proceeds from the Subscriptions are expected to be approximately HK\$160 million. The net proceeds of the Subscriptions (after deducting related professional fees and related expenses) are expected to be approximately HK\$158 million. The net issue price per Share from the Subscriptions and will be approximately HK\$0.79.

The Company currently intends to use the net proceeds from the Subscriptions in the following manner:

- (i) approximately RMB120 million (equivalent to approximately HK\$144 million) for the Proposed Project Participation pursuant to the MOU, details of which are set out in the below section headed "Strategic Cooperation Memorandum of Understanding"; and
- (ii) the remaining balance for general working capital of the Group and if and when suitable investment opportunity in the media business arises.

LETTER FROM THE BOARD

The Directors would adopt a prudent approach and would not commit the Group to deploy up to RMB120 million (equivalent to approximately HK\$144 million) for the Proposed Project Participation unless the Company has secured the required source of funding. Subject to the completion of the Subscriptions, the Directors are of the view that, the Formal Agreement can be finalized no later than the first quarter of 2016. In the event that any or all of the Subscriptions do not proceed to completion, the net proceeds to be applied to the Proposed Project Participation will be scaled down accordingly, and the size of the Company's participation in such project will be reduced. The consideration for 60% of the Target Income Right, being RMB120 million (equivalent to approximately HK\$144 million), represents approximately 91% of the maximum gross proceeds from the Subscriptions. Having considered the existing working capital need for the Group's business operation and the benefits from the Proposed Project Participation as set out in the below section headed "Strategic Cooperation Memorandum of Understanding", the Company intends to scale down the Group's strategic investment size in the Target Income Right in proportion to its fund raising size through the Subscriptions. Assuming all the Subscriptions proceed to completion, the Company intends to acquire 60% of the Target Income Right. Assuming only the Subscription A proceeds to completion, the Company intends to acquire around 50% of the Target Income Right subject to arm's length negotiation between the Company and Hehe Film. Assuming only the Subscription B proceeds to completion, the Company intends to acquire around 10% of the Target Income Right subject to arm's length negotiation between the Company and Hehe Film.

As disclosed in the annual reports of the Company for the years ended 31 December 2013 and 2014, the total operating expense was over RMB100 million for each of the financial years ended 31 December 2012, 2013 and 2014. The Directors consider that it will be a merit for the Group to have additional working capital for its business operation and development. The Group considers that with the expansion to the cultural film media business and the Proposed Project Participation, the Group may have to incur additional operating expenses. Accordingly, the Directors are of the view that the Subscriptions will strengthen the financial position (in particular, the working capital and cash flow position) of the Group. Taking into account the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Group to enhance the capital base by means of the Subscriptions so as to allow the Group to mitigate any business and financial risk and enhance the financial flexibility of the Group. In addition, as the Group has committed to reserve resources for strategically developing media business segments with promising growth potential, sufficient cash reserve is crucial for the development of the Company.

Strategic Cooperation Memorandum of Understanding

Reference is made to the Announcement, on 22 December 2015 (after trading hours), YSOLDE, being a wholly-owned subsidiary of the Company, entered into the MOU with Hehe Film.

LETTER FROM THE BOARD

The principal terms of the MOU are set out as follows:

Date: 22 December 2015

Parties: YSOLDE and Hehe Film

Hehe Film is principally engaged in motion media contents related businesses, including investment, planning, production, publication and distribution of television drama series, films and other audio visual media contents. Hehe Film has a well-established team of film industrial experts and is in close cooperation with well-known film production companies and distributors including Central Pictures Corporation (中影股份有限公司), Shanghai Nanguo Pictures Limited Company* (上海上影南國影業有限公司), Pegasus Entertainment Holdings Limited (Stock Code: 1326) and Max Screen (Beijing) Film Distribution Holdings Limited* (大銀幕(北京)電影發行控股有限公司). The media products portfolio of Hehe Film includes, among others, 《八星抱喜》(The Eighth Happiness), 《百星酒店》(Hotel Deluxe), 《精武青春》(Kung Fu Angels) and 《3D葉問3》(Ip Man 3 in 3D).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Hehe Film and its ultimate beneficial owner(s) are Independent Third Party(ies) and are third party(ies) independent of, and not acting in concert (as defined under the Code) with and not connected with the Subscribers and their ultimate beneficial owner(s).

Pursuant to the MOU, the proposed scope of strategic cooperation includes:

- (a) Participation in and development of new media projects: utilize and exploit the existing media related capabilities of YSOLDE and Hehe Film with a view to jointly invest in, develop, market and manage the production and distribution of motion pictures that would appeal to the mass Asian market (including the PRC); and
- (b) Participation in existing media projects of Hehe Film: allow the Company to have priority to participate in the investment in the existing portfolio of motion picture investments currently held by Hehe Film.

Existing media projects participation

Hehe Film proposes to allow YSOLDE to participate in the investment in the Target Media Project in the form of a sale and purchase of certain contractual income sharing rights of the underlying motion picture project owned by Hehe Film.

LETTER FROM THE BOARD

Proposed Project Participation

Assets to be acquired

The Target Media Project is 《3D葉問3》(Ip Man 3 in 3D), an upcoming Chinese Martial Art film directed by Mr. Wilson Yip (葉偉信), and starred by Mr. Donnie Yen (甄子丹), Mr. Zhang Jin (張晉), Ms. Lynn Hung (熊黛林), Mr. Patrick Tam (譚耀文) and Mr. Mike Tyson. The Target Media Project is a sequel to the Ip Man series directed by Mr. Wilson Yip (葉偉信). The Target Media Project is currently scheduled for the first release in the PRC around March 2016.

YSOLDE will acquire Hehe Film's Target Income Right which represents at least 60% of the net income of the Target Media Project from box office in the PRC, being the gross box office receipts of the Target Media Project from distribution and screening in cinemas after deduction of the monies payable to National Film Industry Development Special Fund, value added tax and surcharges, the amounts of the gross box office receipts shared by cinemas and cinema circuit and the investment costs (including promotional expenses).

Based on the latest understanding between the Company and Hehe Film, the Directors confirm that:

- (i) the monies payable to National Film Industry Development Special Fund (the “**NFIDS Fund**”) refers to a levy of 5% of the gross cinema box office receipts of the Target Media Project;
- (ii) the value added tax and surcharges refer to approximately 3% to 5% of the gross cinema box office receipts based on relevant laws and regulations;
- (iii) the proportion of gross box office receipts shared by cinemas and cinema circuits has yet to be finalised but is expected not to exceed 60% of the net box office receipts (being gross box office receipts net of the above-mentioned NFIDS Fund and value added tax and surcharges); and
- (iv) the investment cost and promotional expense refer to the total investment cost in respect of the investment to the Target Media Project and the Target Media Project's promotion expenses in the PRC which are subject to verification including but not limited to third party evidence, contracts and receipts.

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The Directors consider the above-mentioned base amounts, after arm's length negotiations between the Company and Hehe Film, are in line with the cultural film media industry norms in the PRC. Finalisation of the above calculations for the net income of the Target Media Project are subject to further disclosure and update in the Formal Agreement which is expected to be entered into between YSOLDE and Hehe Film in the first quarter of 2016 after completion of the Subscriptions.

Hehe Film, principally engaged in film media business, is one of the investors of the Target Media Project, and has obtained exclusive film distribution rights of the Target Media Project in the PRC through its investment in the production of Target Media Project.

Consideration

The consideration of RMB120 million (equivalent to approximately HK\$144 million) for 60% of the Target Income Right is determined after arm's length negotiations between the Company and Hehe Film with reference to the investment costs incurred by Hehe Film in return for the exclusive film distribution rights of the Target Media Project in the PRC and is subject to further verification by an independent valuer.

Formal Agreements

YSOLDE and Hehe Film shall negotiate in good faith definitive terms and conditions, and enter into a formal strategic cooperation agreement (and where necessary formal sale and purchase agreement(s) for the participation in the existing media project(s) in relation to the above strategic cooperation.

Conditions precedent for the above strategic cooperation

Subject to the terms and conditions of the Formal Agreement(s), the above strategic cooperation is expected to be conditional upon YSOLDE and Hehe Film having obtained (i) all the necessary approvals from relevant governmental, regulatory authorities or third parties; (ii) the shareholders' and/or board approval of YSOLDE and Hehe Film for the consummation of the above cooperation (if any); and (iii) YSOLDE having been satisfied with the valuation of the income rights of the media projects of Hehe Film by an independent valuer.

LETTER FROM THE BOARD

Tenure

YSOLDE and Hehe Film intend for the above strategic cooperation to be valid for a period of one year from the date of signing of the MOU and may be extended by a written agreement between YSOLDE and Hehe Film.

Hehe Film's undertaking

Hehe Film further undertakes to YSOLDE that no contract, licence or financial agreement that is material to the Target Income Right shall be terminated or adversely varied between the date of this MOU and the completion of the Proposed Project Participation.

Due diligence

Commencing from the date of the MOU and ending on no later than 28 February 2016 (both dates inclusive), Hehe Film shall give access to YSOLDE, and those persons authorised by it, to the premises of Hehe Film and such title deeds, books, accounts, records and documents associated with the Target Media Project (the “**Due Diligence Documents**”) as Hehe Film may deem reasonably necessary to conduct due diligence on the Target Media Project. The Company and its authorised persons shall be entitled to take copies of all Due Diligence Documents and Hehe Film shall procure that the employees of Hehe Film will provide all necessary information and explanations to YSOLDE and its authorised representatives.

Binding effect

The MOU is non-legally binding (save for certain provisions such as the provisions on Hehe Film's undertaking, due diligence, confidentiality, cost as well as governing law). If the Proposed Project Participation proceeds, Formal Agreement will be entered into between YSOLDE and Hehe Film in respect of the above strategic cooperation.

Reasons for and benefits of the MOU

The Group is principally engaged in the business of cultural media and advertising media in the PRC. Further to the latest annual report of the Company for the year ended 31 December 2014, the slowdown in the Chinese economic development and the increasing pressure on certain industries to expand have impacted the advertising spending of the respective industries, thereby posing challenges for the operating environment of the Group. The performance and profitability of existing integrated print media business of the Group has been significantly impacted by the weak performance of its existing client base, such as the property industry, due to the slowdown in overall economic growth in the PRC. On the other hand, the Group has strengthened the investment in its online media business since 2012. However, the premature internet media platforms of the Group are still in the establishment and investment stages which are considered to be with comparatively weak profitability and require longer investment period. The Group has

LETTER FROM THE BOARD

been focusing on restructuring its media business by consolidating operations that underperformed in terms of revenue growth and has committed to reserve resources for strategically developing media business segments with promising growth potential. Therefore, the Group has been actively exploring cultural media business opportunities in order to facilitate its development and transformation. The Directors are of the views that the cultural film media market is a segment of the broad cultural media industry. The Target Media Project allows the synergetic extension of the Group's existing cultural media business (which mainly consists of non-movie related media) through utilizing its well-established advertising channels, content provision, distribution management and event planning resources. The Group is optimistic of the cultural media market in the PRC, particularly the cultural film media market. Through the appointment of Mr. Tsui Yiu Ming Siuming, a well-known director and producer in Hong Kong, the Group is actively seeking to further expand its business into cultural film media industry as to improve its operating performance. The Directors consider that the MOU will be beneficial to the Group and facilitate its development and transformation from the following perspectives:

1. the Directors consider that Hehe Film is inherited with extensive experience and well-established connections in the film media industry and entering into the MOU and the Proposed Project Participation will allow the Group to take advantages of Hehe Film's strengths and resources in the cultural film market for expanding its current media business into cultural film media and expanding and diversifying the revenue base of its existing advertising business to that of the booming film media industry in the cultural media market of the PRC;
2. the Directors consider the Proposed Project Participation will allow the Group to enter into the cultural film media market in the PRC. In addition, the Group's established advertising channels, content provision, distribution management and event planning resource base from its years of development in the print media and online media advertising business are expected to create synergy and opportunities to promote upcoming media projects in cooperation with Hehe Film in the PRC. Further the media projects of Hehe Film will enrich and diversify the channels of the Group's existing advertising business to the cultural film media market in the PRC;
3. the acquisition of partial income right of the Target Media Project, which is currently scheduled for the first release in the PRC around March 2016, represents a valuable strategic investment opportunity for the Company to improve its financial performance in near term and diversify the Group's existing media business; and
4. the entering into of the MOU provides business synergy between the Company and Hehe Film and is an efficient way to expand and enrich product portfolio of the Group's cultural media business, revenue source in the cultural film media market, production capacity in content provision and advertising services and the branding and reputation of the Group in the culture media industry in the PRC.

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Based on the factors mentioned above, the Directors consider that the terms of the MOU are fair and reasonable and together with the Proposed Project Participation and are in the interests of the Company and Shareholders as a whole.

Other Fund Raising Alternatives

The Board has considered various fund raising methods apart from the Subscriptions such as debt financing as well as rights issue or open offer. As regards debt financing, having considered that it would increase the gearing level of the Group and the interest expenses incurred which would impose additional financial burden to the Group's future cash flows, the Board considers that such fund raising method is currently not the most appropriate method to the Group. As regards the viability of a rights issue or an open offer, the Board is of the view that it will be difficult to identify underwriter(s) which is/are interested to underwrite a rights issue or open offer of the Company in light of its current financial position. The Directors consider that even if such an independent underwriter was identified, the rights issue or open offer would incur costly underwriting commission and the process would be relatively time consuming.

In light of the above, the Board is of the view that the Subscriptions are the most appropriate fund raising method and are beneficial to the Company. Overall, the Directors, after taking into account the factors, reasons and circumstances disclosed above, consider that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING OF THE SUBSCRIPTIONS

Assuming that there will be no change in the shareholding structure of the Company immediately before completion of the Subscriptions:

- (i) the Subscription A Shares represents approximately 15.89% of the existing issued share capital of the Company of 1,006,942,121 Shares as at the Latest Practicable Date;
- (ii) the Subscription B Shares represents approximately 3.97% of the existing issued share capital of the Company of 1,006,942,121 Shares as at the Latest Practicable Date;
- (iii) the Subscription Shares represents approximately 19.86% of the existing issued share capital of the Company of 1,006,942,121 Shares as at the Latest Practicable Date;
- (iv) the Subscription A Shares represent approximately 13.71% of the issued share capital of the Company of 1,166,942,121 Shares as enlarged by the allotment and issue of the Subscription A Shares as at the Latest Practicable Date;

LETTER FROM THE BOARD

- (v) the Subscription B Shares represent approximately 3.82% of the issued share capital of the Company of 1,046,942,121 Shares as enlarged by the allotment and issue of the Subscription B Shares as at the Latest Practicable Date; and
- (vi) the Subscription Shares represent approximately 16.57% of the issued share capital of the Company of 1,206,942,121 Shares as enlarged by the allotment and issue of the Subscription Shares as at the Latest Practicable Date.

The effects of the Subscriptions on the shareholding structure of the Company are set out in the table below:

	As at the Latest Practicable Date		Immediately after completion of the Subscription A assuming that the Subscription B does not proceed to completion (Note 2)		Immediately after completion of the Subscription B assuming that the Subscription A does not proceed to completion (Note 3)		Immediately after completion of the Subscriptions (Note 4)	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Mr. Chen Zhi (Note 1)	166,394,696	16.52	166,394,696	14.26	166,394,696	15.89	166,394,696	13.79
Ms. Zou Hui Fang	54,945,645	5.46	54,945,645	4.71	54,945,645	5.25	54,945,645	4.55
The Subscribers								
Subscriber A	-	-	160,000,000	13.71	-	-	160,000,000	13.26
Subscriber B	-	-	-	-	40,000,000	3.82	40,000,000	3.31
Public Shareholders								
Other public Shareholders	<u>785,601,780</u>	<u>78.02</u>	<u>785,601,780</u>	<u>67.32</u>	<u>785,601,780</u>	<u>75.04</u>	<u>785,601,780</u>	<u>65.09</u>
Total	<u>1,006,942,121</u>	<u>100.00</u>	<u>1,166,942,121</u>	<u>100.00</u>	<u>1,046,942,121</u>	<u>100.00</u>	<u>1,206,942,121</u>	<u>100.00</u>

Notes:

- This represents the aggregate of (i) 7,032,655 Shares beneficially owned by Mr. Chen Zhi and (ii) 159,362,041 Shares owned by TopBig International Development Limited which is wholly owned by Mr. Chen Zhi.
- Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Subscription A, and the Subscription B does not proceed to completion.
- Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Subscription B, and the Subscription A does not proceed to completion.
- Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Subscriptions.

LETTER FROM THE BOARD

GENERAL

Specific Mandate

The Subscription Shares will be allotted and issued under Specific Mandate to be proposed for passing by the Shareholders by ordinary resolution(s) at the EGM. The general mandate of the Company will not be used for the issue of the Subscription Shares.

EGM

The Specific Mandate is subject to Shareholders' approval at the EGM. The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Subscriptions and the respective transactions contemplated thereunder.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Subscriptions shall abstain from voting on the resolution(s) to approve the Subscriptions and the respective transactions contemplated thereunder at the EGM. To the best of knowledge, information and belief of the Directors, none of the Shareholder has a material interest in the transactions contemplated under the Subscription Agreements will be required to abstain from voting on the resolution(s) to approve the Subscriptions and the respective transactions contemplated thereunder at the EGM.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EGM AND PROXY ARRANGEMENT

The EGM will be convened and held at Cliftons, Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong at 10:00 a.m. on Wednesday, 17 February 2016 for the purpose of considering and, if thought fit, approving the Subscription Agreements and their respective transactions contemplated thereunder, including the proposed grant of the Specific Mandate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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The resolutions proposed at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The Subscriptions are not inter-conditional on each other and are subject to the satisfaction of the conditions precedent respectively set out in each of the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RECOMMENDATION

Having noted and considered the reasons stated under the section headed “USE OF PROCEEDS AND THE REASONS FOR THE SUBSCRIPTIONS”, the Board considers that the Subscription Agreements and their respective transactions contemplated thereunder, including the proposed grant of the Specific Mandate are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

By Order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman

NOTICE OF EGM



SHIFANG HOLDING LIMITED

十方控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1831)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of ShiFang Holding Limited (the “**Company**”) will be held at 10:00 a.m., on Wednesday, 17 February 2016 at Cliftons, Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong to consider and, if thought fit, pass the following resolution as ordinary resolutions.

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the subscription agreement dated 22 December 2015 entered into between the Company as issuer and Mr. Shi Jianxiang (施建祥) as subscriber (a copy of which marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) in relation to the subscription of 160,000,000 new ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Subscription A Shares**”) at a subscription price of HK\$0.80 per subscription share and any transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement A and any transactions contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole; and

NOTICE OF EGM

- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Subscription A Shares, the Directors be and are hereby specifically authorised to allot and issue such number of new ordinary shares of HK\$0.80 each in the capital of the Company (the “**Subscription A Specific Mandate**”) as may be required to be allotted and issued pursuant to the terms of the Subscription Agreement A, where such Subscription A Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The Subscription A Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution.”

2. “**THAT**

- (a) the subscription agreement dated 22 December 2015 entered into between the Company as issuer and Summit Yield Developments Limited, being a wholly-owned subsidiary of Greater China Financial Holdings Limited, as subscriber (a copy of which marked “B” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) in relation to the subscription of 40,000,000 new ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Subscription B Shares**”) at a subscription price of HK\$0.80 per subscription share and any transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) any one Director be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement B and any transactions contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole; and

NOTICE OF EGM

- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Subscription B Shares, the Directors be and are hereby specifically authorised to allot and issue such number of new ordinary shares of HK\$0.80 each in the capital of the Company (the “**Subscription B Specific Mandate**”) as may be required to be allotted and issued pursuant to the terms of the Subscription Agreement B, where such Subscription B Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The Subscription B Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which may from time to time be granted to the Directors prior to or after the passing of this resolution.”

By Order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman

Hong Kong, 28 January 2016

Registered Office:

PO. Box 309, Ugland House
Grand Cayman, KY-1104
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

The Landmark, 18/F, Edinburgh Tower
15 Queen’s Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.

As at the date of this notice, the executive Directors of the Company are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng, Mr. Zhang Tie Zhu, 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; the independent non-executive Directors of the Company are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Cai Jian Quan and Mr. Zhou Xu Xiang.