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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)

**VOLUNTARY ANNOUNCEMENT
REGARDING
COOPERATIVE AGREEMENT WITH
THE MANAGEMENT COMMITTEE OF
WUHUA TECHNOLOGY PARK**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 29 June 2011, Fujian ShiFang, an indirect wholly-owned subsidiary of the Company, and the Management Committee, an Independent Third Party, entered into the Cooperative Agreement, pursuant to which the Management Committee entrusts Fujian ShiFang with the marketing, investment promotion and advertisement creative planning, production and publishing program for the Project.

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 29 June 2011, Fujian ShiFang, an indirect wholly-owned subsidiary of the Company, and the Management Committee, an Independent Third Party, entered into the Cooperative Agreement.

Pursuant to the Cooperative Agreement, the Management Committee entrusts Fujian ShiFang with the marketing, investment promotion and advertisement creative planning, production and publishing program for the Project, including but not limited to the creation, design and production of advertisements; development of marketing and promotion plans; as well as highlighting the features of the cultural park area.

The term of the Cooperative Agreement is 9 months commencing from 25 June 2011 to 25 March 2012, subject to renewal to be negotiated by both parties prior to one month expiry of such term. Under the terms of the Cooperative Agreement, Fujian ShiFang shall be entitled to receive service income from the Management Committee of 1.5% of the Project Investment Amount, with the service income to be no less than 17.5% of the Cooperative Agreement Amount per year.

Pursuant to the Cooperative Agreement, Fujian ShiFang shall pay the Cooperative Agreement Amount to the Management Committee within 3 days after the entering into of the Cooperative Agreement, which is to be refunded within 7 days after the expiry of the Cooperative Agreement.

The entering into the Cooperative Agreement is a strategic move for the Company, as the Directors are of the view that the provision of marketing and advertising services to large-scale projects such as the Project will enhance the Company's profile. In addition, the service income generated from the Cooperative Agreement will enable the Company to enhance its current market position in the PRC while providing an attractive return on investment. In view of the above, the Directors believe that the entering into of the Cooperative Agreement is in the best interest of the Company and its shareholders as a whole.

The entering into of the Cooperative Agreement does not constitute a transaction discloseable under Chapter 14 or Chapter 14A of the Listing Rules for the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors of the Company
“Company”	ShiFang Holding Limited, a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Stock Exchange (stock code: 1831)
“Cooperative Agreement”	the agreement dated 29 June 2011 entered into between Fujian ShiFang and the Management Committee, pursuant to which the Management Committee entrusts Fujian ShiFang with the marketing and advertising program of the Project
“Cooperative Agreement Amount”	the cooperative agreement amount (合作意向金) of RMB50,000,000
“Director(s)”	the director(s) of the Company
“Fujian ShiFang”	Fujian ShiFang Culture Communication Co., Ltd. (福建十方文化傳播有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company, the principal activity of which is provision of comprehensive advertising agency services to the Group’s customers
“Group”	the Company and its subsidiaries
“Independent Third Party”	independent third party, including the ultimate beneficial owners of such party, not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Management Committee”	the Management Committee of Wuhua Technology Park (五華科技產業園管理委員會), a body corporate established in the PRC and an Independent Third Party
“PRC”	the People’s Republic of China
“Project”	the property development at lot 13 of Wuhua Technology Park
“Project Investment Amount”	the total investment amount of the Project (項目招商總額), as audited by finance personnel assigned by Fujian ShiFang
“RMB” and “Renminbi”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Wuhua Technology Park”	Wuhua Technology Park* (五華科技產業園), a technology park located in Wuhua district, Kunming, the PRC
“%”	per cent.

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

Hong Kong, 30 June 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng and Mr. Zhang Tie Zhu; the non-executive Director is Mr. Wang Ping; and the independent non-executive Directors are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry and Mr. Zhuo Ze Yuan.

* for the purpose of identification only