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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**

The Board is pleased to announce that, on 5 June 2012, Fuzhou HanDing (an indirect wholly-owned subsidiary of the Company), as transferor, entered into the Equity Transfer Agreement with Ms. Zhuo, as transferee, in relation to the disposal of the Sale Shareholding, for a total consideration of RMB30,537,000.

As some of the percentage ratios in respect of the Transaction exceeds 5% (but each of them is less than 25%) as calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules. Principal terms of the Equity Transfer Agreement are set out below in this announcement.

## **EQUITY TRANSFER AGREEMENT**

### **(1) Date**

5 June 2012

### **(2) Parties**

(a) Transferor: Fuzhou HanDing

(b) Transferee: Ms. Zhuo

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, Ms. Zhuo is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

**(3) Subject**

The Sale Shareholding, being 18.5% of the entire registered capital (paid up) of Yunnan Handing, of which the Transferor holds 33.5% equity interests in Yunnan Handing as at the date of this announcement.

**(4) Consideration**

The Consideration receivable by Fuzhou HanDing from Ms. Zhuo for the disposal of the Sale Shareholding shall be an aggregate of RMB30,537,000 and shall be satisfied by payment in cash by Ms. Zhuo of an amount of RMB30,000,000 on or before 20 June 2012, with the remaining amount of RMB537,000 in cash payable by Ms. Zhuo to Fuzhou HanDing on or before 30 July 2012. The Consideration was arrived at on an arm's length commercial basis between the parties to the Equity Transfer Agreement and is comprised of that portion of total registered capital already contributed and paid by Fuzhou HanDing as at the date of this announcement (that is, RMB33,500,000) representing the Sale Shareholding (that is, RMB18,500,000), and by reference to operating results, earning capacity, future growth prospectus, overall financial performance and net asset value of Yunnan Handing as at 31 May 2012.

**(5) Completion**

Completion of the Transaction took place on the signing of the Equity Transfer Agreement.

**REASONS FOR ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

Yunnan Handing is principally engaged in project investment and management. Fuzhou HanDing is an investment holding company and has no other operation.

The Transaction would be beneficial to the Group. The Transaction represents an opportunity to allow the Group to realize part of its investment in Yunnan Handing and to realize capital gain efficiently.

The Directors are of the view that the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms and the terms of the Equity Transfer Agreement, which were determined after arm's length negotiations between the Fuzhou HanDing and Ms. Zhuo are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **FINANCIAL EFFECTS OF THE TRANSACTION**

Yunnan Handing was incorporated on 12 July 2011. The net book value of the Sale Shareholding is approximately RMB18,572,748 as at 31 May 2012. From 12 July 2011 to 31 May 2012, the unaudited net profit before and after taxation and extraordinary items of Yunnan Handing were approximately RMB393,235 and RMB393,235.

According to the unaudited financial statements of Yunnan Handing as at 31 May 2012, the consolidated net asset value of Yunnan Handing was approximately RMB100,393,235.

Based on the total amount of the Consideration, it is estimated that the Group will record an unaudited gross book gain on the disposal of the Sale Shareholding of approximately RMB11,964,252, being the difference between the estimated net proceeds from the Transaction of RMB30,537,000 (after deducting all relevant fees and expenses) and 18.5% of the unaudited net asset value of Yunnan Handing as at 31 May 2012 of approximately RMB18,572,748 prepared in accordance with the PRC Accounting Standards. It is expected that the net proceeds from the disposal of the Sale Shareholding available to the Group will be utilized as its additional working capital.

## **INFORMATION ON THE COMPANY**

The principal activity of the Company is investment holding. The Group is principally engaged in four major businesses, namely (i) newspaper advertising; (ii) online services; (iii) marketing, distribution management, consulting and printing services; and (iv) television and radio advertising. The Group is dedicated to offering one-stop solutions with its cross-media advertising platform to advertisers and creating value for its customers.

## **GENERAL**

The Transaction constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Shifang Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration of RMB30,537,000 for the sale of the Sale Shareholding pursuant to the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 5 June 2012 between (i) Fuzhou HanDing as transferor and (ii) Ms. Zhuo as transferee in relation to the sale and purchase of the Sale Shareholding
“Fuzhou HanDing” or “Transferor”	福州漢鼎網絡科技有限公司 (Fuzhou HanDing Network Science & Technology Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Zhuo” or “Transferee”	Ms. Zhuo Shuying

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shareholding”	18.5% of the entire registered capital (paid up) of Yunnan Handing, of which the Transferor holds 33.5% equity interests in Yunnan Handing as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Equity Transfer Agreement
“Yunnan Handing”	雲南漢鼎投資有限公司 (Yunnan Handing Investment Co. Limited*), a company incorporated in the PRC with limited liability and is directly held as to 33.5% by Fuzhou HanDing
“%”	per cent

By Order of the Board of  
**SHIFANG HOLDING LIMITED**  
**Chen Zhi**  
*Chairman*

Hong Kong, 5 June 2012

*As at the date of this announcement, the executive Directors are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng, Mr. Zhang Tie Zhu and Mr. Yu Shi Quan; the non-executive Directors are Mr. Wang Ping and Ms. Chen Min; the independent non-executive Directors are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Zhuo Ze Yuan and Mr. Cai Jian Quan.*

\* For identification purpose only