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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)

**ANNOUNCEMENT
DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that, on 8 May 2013, Fuzhou HanDing (an indirect wholly-owned subsidiary of the Company), as transferor, entered into the Equity Transfer Agreement with Mr. Lu, as transferee, in relation to the disposal of the Sale Shareholding, for a total Consideration of RMB41,277,950.

As one or more of the relevant 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.

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EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:–

(1) Date

8 May 2013

(2) Parties

- (a) Transferor: Fuzhou HanDing
- (b) Transferee: Mr. Lu

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

(3) Subject

The Sale Shareholding, being 7.6139% of the entire registered capital (paid up) of Yunnan Handing, represents the entire interests in registered capital held by the Transferor in Yunnan Handing as at the date of this announcement.

(4) Consideration

The Consideration receivable by Fuzhou HanDing from Mr. Lu for the disposal of the Sale Shareholding shall be an aggregate of RMB41,277,950 and shall be satisfied by payment in cash by Mr. Lu of an amount of RMB36,157,600 on or before 10 May 2013, with the remaining amount of RMB5,120,350 in cash payable by Mr. Lu to Fuzhou HanDing on or before 30 July 2013. The Consideration was arrived at on an arm's length commercial basis between the parties to the Equity Transfer Agreement and is comprised of the total registered capital already contributed and paid by Fuzhou HanDing as at the date of this announcement representing the Sale Shareholding (that is, RMB7,613,900), and by reference to operating results, earning capacity, future growth prospectus, overall financial performance and net asset value of Yunnan Handing as at 30 April 2013.

(5) Completion

Completion of the Transaction (including but not limited to the registration of the transfer of the Sale Shareholding) shall take place subject to the fulfilment of the following conditions precedent:—

- (a) the Consideration has been fully received by Fuzhou HanDing from Mr. Lu; and
- (b) all the outstanding liabilities which Yunnan Handing owes to Fuzhou HanDing have been fully settled.

Both parties verbally agreed and anticipated that the completion of the Transaction will be taken place on or around 31 October 2013. If all conditions precedent cannot be fulfilled in full before 31 October 2013 (or such other date as agreed between the parties), the Transaction shall be terminated, subject to further extension which may be agreed by both parties. Upon the completion of the Transaction, the Group will no longer hold any interests in Yunnan Handing.

REASONS FOR ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Yunnan Handing is principally engaged in project investment and management. Fuzhuo HanDing is an investment holding company.

The Transaction would be beneficial to the Group. The Transaction could allow the Group to realize 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 Mr. Lu 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 unaudited net book value of the Group's interest in the Sale Shareholding is approximately RMB7,613,900 as at the date of this announcement.

Based on the total amount of the Consideration, it is estimated that the Group will record an unaudited gain on the disposal of the Sale Shareholding of approximately RMB33,664,050, being the difference between the estimated net proceeds from the Transaction of RMB41,277,950 (after deducting all relevant fees and expenses) and the unaudited net book value of the Group's interest in the Sale Shareholding of approximately RMB7,613,900 as at the date of this announcement. 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

As one or more of the relevant 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.

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 RMB41,277,950 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 8 May 2013 between (i) Fuzhou HanDing as transferor and (ii) Mr. Lu 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
“Mr. Lu” or “Transferee”	呂良圳 (Mr. Lu Liangzhen*)
“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”	7.6139% of the entire registered capital (paid up) of Yunnan Handing, represents the entire interests in registered capital held by the Transferor in Yunnan Handing as at the date of this announcement (As at 12 March 2013, the Group’s equity interest in Yunnan Handing has been diluted from 11.6574% as at 31 December 2012 to 7.6139% as a result of additional equity contribution from other shareholders of Yunnan Handing)
“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 7.6139% by Fuzhou HanDing as at the date of this announcement

“%”

per cent

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

Hong Kong, 8 May 2013

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; the non-executive director of the Company are Mr. Wang Ping and Ms. Chen Min; the independent non-executive directors of the Company are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Zhuo Ze Yuan and Mr. Cai Jian Quan.

* For identification purpose only