



ShiFang Holding expands into Radio Business

Realizes cross-media and multi-city marketing and advertising services with multiple-content

Proactively explores new income streams, creates a business platform that integrates of three networks

(7 April, 2011; Hong Kong) **ShiFang Holding Limited** (“ShiFang” or “the Company” and its subsidiaries collectively called “the Group”; HKEx: 01831) is pleased to announce that the radio promotion programme jointly run by its wholly-owned subsidiary and YangGuang Dushi (Beijing) Culture and Media Co., Ltd. (“YangGuang Dushi”), which is a wholly-owned subsidiary of China National Radio, has been launched recently, meaning that ShiFang has entered into the radio business, expanding its media source to broadcast media and beyond newspapers and online digital media. The move will enhance the integration of the Group’s “three networks”, namely print media, online digital media and broadcast media, realizing the integration of three networks and multi-city marketing and advertising services.

The cooperative projects in relation to the development of radio stations cover provincial, municipal and county levels and will last for five years. The parties have started program sales, operation of advertising timeslot and contracting of the operation of the entire frequency since 1 January 2011. ShiFang is authorized to use the massive archives and copyright resources of China National Radio for multi-media development. ShiFang is also authorized to sell customized radio programmes to local radio stations on provincial, municipal and county levels. In addition, under the profit sharing basis, ShiFang receives all the advertising income of the local radio stations. Besides, these radio programmes can be used in the online business of the Company, realizing the integration of the radio and internet networks. The Group believes that the first two years are expected to be the initial stage, the cooperation agreement will have more profound impact to the income of the Group starting from 2013. The Group further plans to create cross-region radio network in the future, creating a broader platform for advertisers. Beijing Shifang Yizhi Company Limited, the project company, has commenced operation since March 2011.

Chen Zhi, Chairman and CEO of ShiFang, said, “In tandem with the steady growth in newspaper advertising spending, advertising spending on radio across the PRC

rose substantially in 2010. According to a market research conducted by CTR Market Research Co. Ltd., advertising spending on radio surged 33%, particularly as a result of a significant increase in the number of mobile users, and there is huge room for future growth, making it a new source of income for the rapidly growing ShiFang in the medium to long term. With the significant price advantage of radio advertising, substantial radio network, and the rapidly growing number of listeners, the Group's business will be diversified, helping advertisers to reach out to more people, especially those with high mobility, and reinforce the competitive strength of the Group's integrated media platform."

***www.duk.cn* has obtained the internet publication license**

Xiamen DuKe, a subsidiary company of ShiFang, which is responsible for the operation of *www.duk.cn* has obtained the written approval from the General Administration of Press and Publication of the PRC ("GAPP") for the issuance of the internet publication licence. Xiamen DuKe has fully resumed its electronic publication services and seeks to accelerate the development of its internet business.

As one of the largest digital media publishing platforms in the PRC, this website mainly publishes electronic magazines, digital newspapers, online novels on its online platform, realizing the integration of the newspaper and the internet. Currently, it has online publishing rights agreements with over 40 publishers and 610 magazine publishing houses with 5,000 magazines as well as digital publishing cooperation with 16 daily, evening and business newspapers in various cities. The total circulation of its online novels amounted to over 120,000 volumes and the accumulated circulation of electronic periodicals, electronic magazines and digital newspapers has reached over 230 million volumes or pieces.

Besides, the Group is also proactively expanding the business development of *www.duk.cn* in relation to handheld mobile reading platforms. According to a survey by Analyses International, it is estimated that by 2013, sales in the PRC mobile reading market will reach RMB6,531 million with 369 million active subscribers. We focus on developing wireless mobile reading platforms and have launched platforms for iPhone, iPad and Android in order to create a closer bond with content providers such as newspapers, books and publishers, and strengthen the promotion and advertising of the platforms. The Group has built a wireless team in Beijing in 2010 for the launch of Duk WAP Website and Duk mobile phone reading software for Symbian systems. Meanwhile, the applications for software patents for Duk WAP Mobile Phone WEB Reading System V1.0 and Duk Mobile Phone Client End System V1.0 have been approved.

Continue to consolidate the newspaper advertising business

The Group strives to further expand our network of newspapers under cooperation, especially in regions with strong economic growth, and also seeks to enter into cooperation relationship with newspapers to expand its influence nationwide. As of 31 December 2010, we partnered with 11 publications in over 16 cities across eight provinces in the PRC, including Southeast Express, Lifestyle Express, Shenyang Evening News, Modern Life Daily, Yan Zhao Metropolitan Newspaper Jidong Edition, Southeast Business, Jinhua Daily, Jinhua Evening News, Dalian Daily, Changjiang Business and Central Guizhou Morning Post. These newspapers have granted the Group exclusive rights to sell their advertising space. In connection with the sales of advertising space, the Group offer value-added one-stop advertising services solutions such as target markets and readership analysis, content development and planning, layout development, editing and event organization to customers.

As the media sector in the PRC continues to grow, the emergence of target audience groups of both traditional and new media has driven the rapid development of integrated media. The Group firmly adheres to its integrated media marketing strategy and is positioned to benefit from this rapidly growing market with its competitive edge in terms of exclusive cooperation with the media, clear cost advantage and strong bargaining power.

The Group's strategies include: 1) establishing multiple-content media operation: in addition to reinforcing its position as an advertising service provider for printed media, the Group will also extend the cooperation with media partners to offer integrated content design and more value-added services to advertisers; 2) securing multi-city exclusive operation: in view of the current need of multi-city business development among advertisers, the Group will continue to increase the number of exclusive printed media partners in order to acquire a larger number of audience for the Group's customers; 3) operating across media: the Group will extend the coverage for advertisers to different audience groups that a single media is unable to reach by using all kinds of advertisement available in the market.

Chen Zhi added that "We believe that given the continuous and stable development of the PRC economy and with our cost advantage as a result of our cooperation with newspapers, cross-media multiple-content, multi-city marketing and advertising services and the joint effort of the Board, the management and our staff, we will be able to create the three networks, namely the radio network, internet network, and newspaper network, and realize the integration of the three networks. We believe that we could offer comprehensive "ShiFang" integrated media solutions to our customers, maintain our steady growth momentum, and become a leading media content operator in the PRC and provide sustainable investment returns to

investors.”

~ The End ~

About ShiFang

ShiFang Holding Ltd. is a leading media company in China, providing customers with diversified and integrated media content services. The company has four major businesses, including (i) newspaper advertising; (ii) online services; (iii) distribution management, consulting and printing services; and (iv) television and radio advertising. As of 31 December 2010, the Group’s businesses have extended to over 16 cities across eight provinces in the PRC. The Group is set to offer one-stop solutions to advertisers and create value for customers.

For enquiries, please contact Hill & Knowlton Asia Ltd

E-mail: shifang@hillandknowlton.com.hk

Gary Li

Direct Line/Cell Phone: (852) 2894 6239 / 9652 9002

Sam Han

Direct Line/Cell Phone: (852) 2894 6372 / 6498 6983