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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
PURSUANT TO RULE 13.09 OF THE LISTING RULES
REGARDING THE LITIGATION BETWEEN
LIAONING AOHAI AND SHENYANG DAILY AGENCY AND
SHENYANG MEDIA CORPORATION**

This announcement is made by ShiFang Holding Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

Reference is made to the Company’s announcements dated 26 October 2011 and 31 July 2011 (the “**Announcements**”) respectively. Unless otherwise defined, capitalized terms used in this announcement have the same meaning as defined in the Announcements.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Liaoning Aohai, a wholly-owned subsidiary of the Company, has commenced legal proceedings in the PRC against Shenyang Daily Agency and Shenyang Media Corporation (being the subsidiary of Shenyang Daily Agency and responsible for the operations of Shenyang Evening News (瀋陽晚報)) in connection with the Comprehensive Cooperation Contract.

On 22 December 2011, Liaoning Aohai issued a civil writ* (民事起訴狀) to the Higher People's Court* of Liaoning Province (遼寧省高級人民法院) (the "**Higher People's Court**") in the PRC against Shenyang Daily Agency and Shenyang Media Corporation (the "**Defendants**"), pursuant to which Liaoning Aohai claimed the Defendants for (i) a total sum of RMB105,579,352, being the outstanding advertising fees payable by the Defendants to Liaoning Aohai under the Comprehensive Cooperation Contract; and (ii) all legal costs in relation to such litigation.

On 9 January 2012, Liaoning Aohai has received the writ of summons* (傳票) and notices issued by the Higher People's Court on 5 January 2012, pursuant to which the a court hearing with respect to the dispute between Liaoning Aohai and the Defendants will be held on 15 February 2012 and Liaoning Aohai is required to attend the court hearing.

The Company will make further announcement(s) to inform its shareholders of further developments of the litigation as and when appropriate. Shareholders and potential investors are advised to exercise caution in dealing with the shares of the Company.

By order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman

Hong Kong, 9 January 2012

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 Shiquan; 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 Jianquan.

* For identification purpose only