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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
(1) THE LITIGATION BETWEEN LIAONING AOHAO AND
SHENYANG DAILY AGENCY AND
SHENYANG MEDIA CORPORATION; AND
(2) THE LITIGATION BETWEEN LIAONING AOHAO 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 10 January 2012, 9 January 2012, 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.

**(1) THE LITIGATION BETWEEN LIAONING AOHAO AND SHENYANG
DAILY AGENCY AND SHENYANG MEDIA CORPORATION**

As disclosed in our announcement dated 9 January 2012, Liaoning Aohai, a wholly-owned subsidiary of the Company, issued a civil writ* (民事起訴狀) to 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 (the “**Case**”). On 10 February 2012, Liaoning Aohai attended a court hearing and each party has exchanged and commented the evidence.

On 8 March 2012, Liaoning Aohai has received a civil judgment issued by the Higher People's Court in relation to the Case, pursuant to which the Higher People's Court decided to refer the Case to Shenyang Intermediate People's Court in Liaoning Province* (遼寧省瀋陽市中級人民法院) (the “**Intermediate People's Court**”).

As advised by the Company's PRC legal counsel, on 13 March 2012, Liaoning Aohai has lodged an appeal to the Supreme People's Court of the PRC (the “**Supreme People's Court**”) to request the Supreme People's Court to overrule the Higher People's Court's decision and order that the case shall remain to be heard in the Higher People's Court pursuant to the PRC law.

(2) THE LITIGATION BETWEEN LIAONING AOHAİ AND SHENYANG MEDIA CORPORATION

Additionally, regarding the Claim initiated by Shenyang Media Corporation against Liaoning Aohai at the Intermediate People's Court as disclosed in our announcement dated 10 January 2012, the court hearing was commenced on 9 January 2012 but judgment is yet to be made by the court.

The Company will make further announcement(s) to inform its shareholders of further developments of the litigations 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, 13 March 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