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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available, the Group is expected to record a loss for the six months ending 30 June 2012 as compared to the profit for the corresponding period ended 30 June 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by ShiFang Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that based on the information currently available, the Group is expected to record a loss for the six months ending 30 June 2012 as compared to the profit for the corresponding period ended 30 June 2011.

Based on information currently available to the Group, the factors attributable to the loss include, inter alia, (a) continued adjustment measures made by the PRC government towards the real estate industry; (b) termination of the advertising distribution agreement with Shenyang Evening News (瀋陽晚報) due to a contract dispute in July 2011; (c) expiration of the exclusive real estate advertising agreement with Dalian Daily (大連日報); (d) decline in business revenue; (e) continued uncertainty in the recoverability of certain trade receivables and the continued need to record a provision for bad debts.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ending 30 June 2012. The information contained in this announcement is only a preliminary assessment made by the Board based on currently available information and such information has not been audited or reviewed by the Company's auditor. Details of the Group's interim results will be disclosed in the results announcement of the Company for the six months ending 30 June 2012 which is expected to be released in August 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman

Hong Kong, 5 June 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 directors 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.