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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 UPDATES ON THE CASES DISCLOSED IN THE ANNOUNCEMENTS

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 13 March 2012, 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.

Shenyang Media Corporation (as plaintiff) vs Liaoning Aohai (as defendant) (“Case 1”)

Introduction

As disclosed in our previous Announcements, Liaoning Aohai received a summons issued by the Intermediate People’s Court on 25 October 2011, where Shenyang Media Corporation claimed Liaoning Aohai for, among others, a total sum of RMB17,328,767 being the outstanding advertising fees payable by Liaoning Aohai to Shenyang Media Corporation.

Progress of the lawsuit

On 30 August 2012, Liaoning Aohai received a judgment of first instance awarded by the Intermediate People's Court, in which Liaoning Aohai was ordered to pay Shenyang Media Corporation RMB17,250,398 as advertising fees together with court fees within 10 days after the judgment becomes effective. Liaoning Aohai is entitled to lodge an appeal to the Higher People's Court within 15 days upon the issue of the judgment.

As advised by the PRC legal counsel, the verdict of first trial is yet to take effect and having considered all available facts, circumstances and legal advice from the PRC legal counsel, Liaoning Aohai will lodge an appeal to the Higher People's Court to seek to revoke the first instance judgment in due course.

The management believes that it is not probable that this litigation would result in a material outflow of economic benefits from the Group.

Liaoning Aohai (as plaintiff) vs Shenyang Daily Agency and Shenyang Media Corporation (as defendant) ("Case 2")

Introduction

On 22 December 2011, Liaoning Aohai filed summons of claim to the Higher People's Court against Shenyang Daily Agency and Shenyang Media Corporation, where Liaoning Aohai claimed Shenyang Daily Agency and Shenyang Media Corporation for, among others, a total sum of RMB105,579,352, being the outstanding advertising fees payable by Shenyang Daily Agency and Shenyang Media Corporation.

On 8 March 2012, Liaoning Aohai has received a civil judgment issued by the Higher People's Court in relation to Case 2, pursuant to which the Higher People's Court decided to refer the case back to the Intermediate People's Court. As advised by the PRC legal counsel, Liaoning Aohai has lodged an appeal to the Supreme People's Court on 13 March 2012 to request the Supreme People's Court to overrule the Higher People's Court's decision.

Progress of the lawsuit

Regarding the appeal lodged by Liaoning Aohai to the Supreme People's Court on 13 March 2012, the relevant legal proceedings are under progressing but judgment is yet to be made by the court.

The Company is actively following up the above cases and evaluate their impact on the Company, and will make further announcement(s) to inform its shareholders of further developments of the cases 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, 30 August 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.