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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 6 September 2012, 30 August 2012, 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”)

Progress of the lawsuit

On 31 December 2012, Liaoning Aohai received an civil judgment issued by the Higher People’s Court of Liaoning Province, pursuant to which the Higher People’s Court found that the judgement of the first instance was unclear in terms of fact, its evidence was not sufficient and its procedures were unlawful. According to the requirement of items (3) and (4) of clause 1 of section 153 of the Civil Procedure Law of the People’s Republic of China (《中華人民共和國民事訴訟法》), the following judgements were made:

1. The civil judgement of (2011) Shen Zhong Min San Chu Zi no.74 ((2011)瀋中民三初字第74號民事判決) of Shenyang Intermediate People’s Court should be dismissed;
2. Retrial of the case at the Intermediate People’s Court was ordered.

The Higher People's Court, accordingly, held that the judgment of the first instance made by the Intermediate People's Court should be dismissed and a retrial of the case at the Intermediate People's Court was ordered.

The Company will wait for further instruction from the courts.

The management believes that it is not probable that the lawsuit 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")

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, 31 December 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.