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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 pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that based on information currently available, the Group is expected to record a loss for the year ended 31 December 2012 as compared to the profit for the year ended 31 December 2011.

Shareholders of the Company 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 its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on information currently available, the Group is expected to record a loss for the year ended 31 December 2012 as compared to the profit recorded for the year ended 31 December 2011.

Based on the information currently available to the Group, the anticipated loss was mainly attributable to (a) the PRC government's continuing adjustment measures on the implementation of the real estate industry which results in the reduced advertising orders from real estate developers and other related industries, consequently the annual business receipts of the Company decreased as compared to 2011; (b) the advertisement distribution agreement entered into with the Shenyang Evening News (瀋陽晚報) was terminated in July 2011 due to contractual disputes between the parties; (c) the expiry of the exclusive real estate advertising agreement entered into with the Dalian Daily (大連日報) and (d) the continuing uncertainty of the recoverability of certain receivables and the continuing need to make provision for bad debts.

The Company is still in the process of finalizing the Group's audited consolidated annual results for the year ended 31 December 2012. As such, the information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the current information available to the Group, and such information has not been audited or reviewed by the Company's auditor. Details of the annual result of the Group will be disclosed in the results announcement of the Company for the year ended 31 December 2012 which is expected to be announced in March 2013.

Shareholders of the Company 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, 23 January 2013

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.