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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 REVOCATION OF THE ENFORCEMENT ORDER

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**”).

Reference is made to the Company’s announcement dated 8 November 2012 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement have the same meaning as defined in the Announcement.

REVOCATION OF THE ENFORCEMENT ORDER

On 7 February 2013, the Company received an enforcement judgment (執行裁定書 (2013) 岳中執異字第1號) (the “**Enforcement Judgment**”) issued by the Court dated 30 January 2013. The Enforcement Judgment of the Court are summarized as follows:–

- (1) the relationship established between the Defendants and the Company (together with its Subsidiaries) are commercial contract relationship rather than connected transaction relationship;

- (2) the Defendants and the Company (together with its Subsidiaries) are separate legal entities which operate their management and financial systems independently with separate bank accounts, their effective controllers or investors are completely different and they are operated separately under contractual agreement.

According to the PRC law, the following judgement was made by the Court:

The Enforcement Order ((2012)岳中執字第104-6號執行裁定書) of the Court was revoked.

If being dissatisfied with the judgment, appeal applications should be submitted to the Higher People's Court of Hunan Province within ten days from the day on which the judgment was served.

Since the Enforcement Judgement (第104-7號執行裁定書) is based on the Enforcement Order (第104-6號執行裁定書), the Company will wait for further instruction from the courts and believes that the lawsuit will not result in a material outflow of economic benefits from the Group. The Company reserved the right for claiming damages caused by the wrongful freeze.

The Company is actively following up the above case and evaluate its 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, 7 February 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.

* For identification purpose only