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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 UPDATES ON LITIGATION MATTERS

This announcement is made by ShiFang Holding Limited (the “**Company**”) 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**”).

References are made to the Company’s announcements dated 17 February 2014, 2 October 2013, 7 February 2013 and 8 November 2012 (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement have the same meaning as defined in the Announcements.

APPEAL DISMISSED

On 16 May 2014, the Company received an enforcement judgment (執行裁定書(2014)湘高法執複字第23號) dated 28 April 2014 issued by the Higher People’s Court of Hunan Province (the “**Enforcement Judgment**”) dismissing the review application by the Subsidiary (namely Fuzhou AoHai Advertisement Co., Ltd* (福州奧海廣告有限公司)) and upholding the enforcement judgments (2012)岳中執字第104-14號 and (2012)岳中執字第104-15號 issued by the Yueyang Intermediate People’s Court.

PRC LEGAL COUNSEL ADVICE AND ACTIONS BY THE COMPANY

The Company had immediately sought legal advice and, as advised by the Company's PRC legal counsel, will apply to the People's Procuratorate of Hunan Province and the Supreme People's Procuratorate to seek procuratorial supervision and contend against the Enforcement Judgment and make appeal to the Supreme People's Court, in order to protect the lawful interest of the Company.

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 case 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, 16 May 2014

As at the date of this announcement, the executive Directors are Mr. Chen Zhi (Chairman), Mr. Hong Pei Feng, Mr. Zhang Tie Zhu and Mr. Yu Shi Quan; the non-executive Directors are Mr. Wang Ping and Ms. Chen Min; the independent non-executive Directors are Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, Mr. Zhuo Ze Yuan and Mr. Cai Jian Quan.

* *For identification purpose only*