

Irrevocable Undertakings from Achieve Prosper and Wang Xing Qiao

20 August 2015

To: Shihua Development Company Limited (the “**Company**”)

Dear Sirs,

We, Achieve Prosper Capital Limited and Wang Xing Qiao, refer to the proposed open offer (the “**Open Offer**”) of 2,920,568,484 new Adjusted Shares (the “**Offer Shares**”) of HK\$0.01 each (the “**Shares**”) on the basis of four (4) Offer Share for every one (1) Adjusted Share held, and an underwriting agreement (the “**Underwriting Agreement**”) proposed to be made between the Company and the Underwriters in respect of the Open Offer.

Terms defined in the Underwriting Agreement have the same meanings in this Undertaking Letter.

We hereby agree to the terms of this letter as follows :-

1. We hereby represent and warrant to you that as at the date hereof, we are the beneficial owner, directly or indirectly, of an aggregate of 1,088,375,571 Existing Shares (the “**Relevant Shares**”), and 1,085,755,571 Existing Shares are registered in the name Achieve Prosper Capital Limited and 2,620,000 Existing Shares are registered in the name of Wang Xing Qiao.
2. We irrevocably undertake to the Company as follows:
 - (i) that the Relevant Shares shall remain registered in our respective name, up to and including the close of business on the Record Date;
 - (ii) we will not to transfer or otherwise dispose of, or create any rights in respect of, any of the Relevant Shares or any interests therein, or acquire any Shares or any interest therein, up to the Record Date;
 - (iii) we will accept our respective entitlements to the Offer Shares (the “**Undertaken Shares**”) derived from the Relevant Shares pursuant to the terms of the Open Offer; and
 - (iv) we will lodge the Application Form in respect of the Undertaken Shares, pay the aggregate subscription price (where the subscription price payable by Achieve Prosper Capital Limited shall be set off, on a dollar to dollar basis, against the amount due under the Promissory Note and the outstanding balance of the Amount Payable to Shareholder as at the Latest Time for Acceptance) and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.
3. Achieve Prosper Capital Limited further irrevocably undertake to the Company that it will not exercise the conversion right attaching to the Convertible Bonds from the date of the Underwriting Agreement to the Record Date;

4. We hereby further represent, warrant and undertake to the Company that:
- (a) we have the requisite power and authority to enter into and perform our obligations hereby undertaken;
 - (b) this letter constitutes and any other documents required to be executed by us pursuant to the provisions of this letter will, when executed, constitute valid and binding obligations of us in accordance with their respective terms; and
 - (c) the execution and delivery of, and the performance by us of our obligations under this letter will not:
 - (i) result in a breach of any provision of our memorandum or articles of association of Achieve Prosper Capital Limited;
 - (ii) result in a breach of, or constitute a default under, any instrument to which we are a party or by which we are bound;
 - (iii) result in a breach of any order, judgment or decree of any court or governmental agency to which we are a party or by which we are bound; or
 - (iv) require the consent of our shareholders or of any other person,

to the intent that all of the foregoing are true and not misleading as at the date of this letter with respect to the facts and circumstances subsisting as at the date hereof and shall in addition be deemed to be repeated on and as at the Prospectus Posting Date and the Latest Time for Termination, in each case with reference to the facts and circumstances then subsisting.

5. We undertake to indemnify the Company against any loss, damage, claim, expenses, costs, fees which may be suffered or incurred by any of the Company arising out of or in connection with any of the following:
- (a) the settlement of any claim arising from the fact that any of the representations, warranties and undertakings set out in this Undertaking Letter is untrue or misleading or has been breached; or
 - (b) any legal proceedings in which the Company claims that any of the representations, warranties and undertakings set out in this Undertaking Letter is untrue or misleading or has been breached and in which judgment is given to the Company; or
 - (c) the enforcement of any settlement referred to in paragraph 5(a) above or any judgment referred to in paragraph 5(b) above.
6. In the event that the Open Offer is terminated, upon such termination, this Undertaking Letter shall automatically lapse and be of no further force and effect and we shall have no claim against the Company, and the Company shall have no claim against us save for any antecedent breach.

This Undertaking Letter is governed by and shall be construed in accordance with the laws of Hong Kong. We hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

IN WITNESS whereof this irrevocable undertaking has been executed the day and year first above mentioned.

THE COMMON SEAL of)
ACHIEVE PROSPER CAPITAL)
LIMITED)
is affixed in accordance with its articles of)
association in the presence of:)

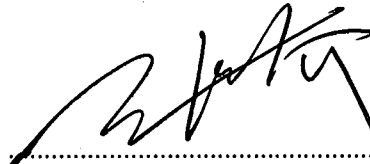
Pic

.....)
Signature of witness)

Wai Tsui Yee)

.....)
Name of witness (block letter))
Rooms 05-15, 13A/F., South Tower, World)
Finance Centre, Harbour City, 17 Canton)
Road, Tsim Sha Tsui, Kowloon, Hong Kong)

.....)
Address of witness)



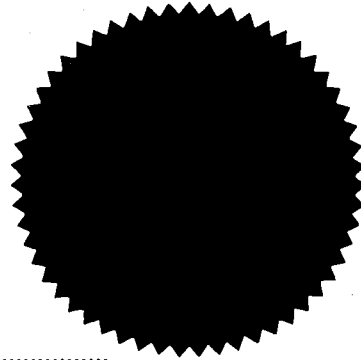
.....)
Signature of authorised person)

Offshore Chambers, P.O. Box 217, Apia,)
Samoa)

.....)
Office held)

Wang Xing Qiao)

.....)
Name of authorised person (block letters)



IN WITNESS whereof this irrevocable undertaking has been executed the day and year first above mentioned.

SIGNED, SEALED AND DELIVERED)
by WANG XINGQIAO)
in the presence of:)

Dis

.....)
Signature of witness)

.....)
Wai Tsui Yee)
Name of witness (block letter))
Rooms 05-15, 13A/F., South Tower,)
World Finance Centre, Harbour City,)
17 Canton Road, Tsim Sha Tsui, Kowloon,)
Hong Kong)
.....)
Address of witness)

[Handwritten Signature]

