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Shihua Development Company Limited
實華發展有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

**SANCTION OF THE CREDITORS' SCHEME BY THE HIGH COURT AND
THE BERMUDA COURT
AND
EFFECTIVE DATE OF THE CREDITORS' SCHEME**

References are made to (i) the circular issued by the Company dated 24 May 2014 containing, among other things, details of the Sale and Purchase Agreement, the Group Restructuring, the Share Premium Reduction, the Distribution In Specie, the CB Subscription Agreement, the Disposal and the Framework Purchase Agreement, financial information on each of the Group, the Scheme Subsidiaries and the SIH Group, pro forma financial information of the Remaining Group and the Privateco Group, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Share Premium Reduction, the Distribution In Specie, the CB Subscription Agreement, the Framework Purchase Agreement and the respective transactions contemplated thereunder (the “**Circular**”); (ii) the adjourned SGM held on 19 June 2014 and the announcement issued by the Company on 19 June 2014 in relation to the poll results of the adjourned SGM whereby the resolution approving the Disposal was duly passed by the Shareholders; (iii) the announcements issued by the Company on 28 July 2014 and 15 October 2014 respectively in relation to the application to the High Court of Hong Kong (the “**High Court**”) and the Supreme Court of Bermuda (the “**Bermuda Court**”) for convening a creditors’ meeting for approving a scheme of arrangement between the Company and its relevant creditors (the “**Creditors**”) pursuant to Section 670 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Hong Kong Scheme**”) and pursuant to Section 99 of the Companies Act 1981 of Bermuda (the “**Bermuda Scheme**”) pursuant to which interest in the Scheme Subsidiaries will be transferred to upon it becoming effective; and (iv) the announcement issued by the Company on 6 November 2014 in relation to the results of the meeting of the creditors held on 6 November 2014. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that the Hong Kong Scheme was sanctioned by the High Court on 3 February 2015 and the Bermuda Scheme was sanctioned by the Bermuda Court on 6 February 2015. Both the Hong Kong Scheme and the Bermuda Scheme became effective on 27 February 2015

by way of delivering a copy of the order of the High Court sanctioning the Hong Kong Scheme and a copy of the order of the Bermuda Court sanctioning the Bermuda Scheme to the Registrar of Companies in Hong Kong and in Bermuda respectively for registration on 27 February 2015.

By Order of the Board
Shihua Development Company Limited
WANG Jing
Chairman

Hong Kong, 10 March 2015

As at the date of this announcement, the Board comprises Mr. Wang Jing, Mr. Wang Xing Qiao, Mr. Chen Wan Jin and Mr. Zhao Shuang as executive Directors; Mr. Li Jun as non-executive Director; and Mr. Yang Xin Hua, Mr. Wang Ping and Mr. Cheng Tai Kwan Sunny as independent non-executive Directors.

The English text of this announcement shall prevail over its Chinese text.