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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)

**COMPLETION OF VERY SUBSTANTIAL DISPOSAL**

References are made to 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**”). 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 completion of the Disposal took place on 13 March 2015. Upon completion of the Disposal, the Company will no longer have any interest in the Scheme Subsidiaries and the financial results of the Scheme Subsidiaries will no longer be consolidated into the consolidated financial statements of the Group.

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

Hong Kong, 13 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.*