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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)

LAPSE OF THE RIGHTS ISSUE AND THE BONUS ISSUE

Reference is made to the announcement of Shihua Development Company Limited dated 4 May 2015 (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Rights Issue, the Bonus Issue and the Underwriting Agreement are conditional upon, among others, the passing of the necessary resolution(s) by the Shareholders at the SGM approving and confirming, among others, the Capital Reorganisation, the Rights Issue, the Bonus Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver in accordance with the Bye-Laws, the Listing Rules and the Takeovers Code on or before the Record Date (i.e. 16 June 2015). As such condition precedent of the Rights Issue, the Bonus Issue and the Underwriting Agreement has not been fulfilled, the Underwriting Agreement will not become unconditional and the Rights Issue and the Bonus Issue will not become effective and will not proceed. Having considered that the Rights Issue and the Bonus Issue would not become effective, the Capital Reorganisation will not proceed.

Shareholders should note that the expected timetable for the Capital Reorganisation, the Rights Issue, the Bonus Issue and the associated trading arrangements as set out in the Announcement will not come into effect.

The Board considers that the lapse of the Rights Issue and the Bonus Issue will not materially and adversely affect the operation of the Group for the time being. The Company has been assessing the Group’s financial needs and other fund raising opportunities. Further announcement will be made by the Company as and when appropriate.

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

Hong Kong, 17 June 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.