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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 PLACING OF NEW
SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that all the conditions of the Placing have been fulfilled and the completion of the Placing took place on 30 July 2015. 486,760,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$0.124 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of Shihua Development Company Limited (the “**Company**”) dated 14 July 2015 in respect of the Placing (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING

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To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties. None of the Placees has become a substantial Shareholder (as defined under the Listing Rules) immediately after the completion of the Placing. The net proceeds from the Placing, after deducting the placing commission and other expenses in connection with the Placing from the gross proceeds, is approximately HK\$59.4 million which is intended to be used for (i) possible opportunities for the development of renewable energy business; and (ii) general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE

The 486,760,000 Placing Shares represent approximately (i) 20.00% of the issued share capital of the Company immediately before the completion of the Placing; and (ii) 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Company immediately before and after completion of the Placing:

Substantial Shareholder	Immediately before completion of the Placing		Immediately after completion of the Placing	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Achieve Prosper Capital (Note 1)	1,085,755,571	44.61	1,085,755,571	37.18
Public Shareholders				
The Placees	–	–	486,760,000	16.67
Other public Shareholders	<u>1,348,052,914</u>	<u>55.39</u>	<u>1,348,052,914</u>	<u>46.15</u>
Total	<u>2,433,808,485</u>	<u>100.00</u>	<u>2,920,568,485</u>	<u>100.00</u>

Notes:

1. Achieve Prosper Capital Limited was beneficially and wholly-owned by Hong Kong Shihua Holdings Limited, which was in turn wholly-owned by Liaoning Shihua (Group) Property Development Company Limited (遼寧實華(集團)房地產開發有限公司) (“**Liaoning Shihua Property**”). Mr. Wang Jing held 82.84% interest in Liaoning Shihua Property and Ms. Hu Bao Qin was his spouse. By virtue of the above, Hong Kong Shihua Holdings Limited, Liaoning Shihua Property, Mr. Wang Jing and Ms. Hu Bao Qin were deemed to be interested in the said 1,085,755,571 shares and underlying shares held by Achieve Prosper Capital Limited.
2. The percentages are subject to round figures.

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

Hong Kong, 30 July 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.