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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)

**FURTHER DELAY IN DESPATCH OF CIRCULAR  
IN RELATION TO**

**(A) PROPOSED CAPITAL REORGANISATION;**

**(B) PROPOSED OPEN OFFER ON THE BASIS OF FOUR (4) OFFER SHARES  
FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE;**

**AND**

**(C) APPLICATION FOR THE WHITEWASH WAIVER**

Reference is made to (i) the announcement of Shihua Development Company Limited (the “**Company**”) dated 7 October 2015 regarding, among others, the Capital Reorganisation, the Open Offer and the application for the Whitewash Waiver; and (ii) the announcement dated 27 October 2015 of the Company regarding the delay in despatch of the Circular (collectively, the “**Announcements**”).

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As stated in the Announcements, the Circular will be despatched to the Shareholders on or before 27 October 2015.

Pursuant to Rule 8.2 of the Takeovers Code, the Circular should be despatched to the Shareholders on or before 28 October 2015.

Pursuant to the letter from the Executive on 28 October 2015, the Executive has granted consent to extending the latest time for the despatch of the Circular to 20 November 2015.

Since additional time is required for finalising certain information to be set out in the Circular, including but not limited to the content of the letter from the Board and the letter from the Independent Financial Adviser, it is anticipated that the Circular will not be despatched on or before 20 November 2015.

Application has been made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to grant consent for a further extension of time for the despatch of the Circular to the Shareholders on or before 27 November 2015. The Executive has granted such consent.

Due to the further delay in the despatch of the Circular, the expected timetable for the Capital Reorganisation and the Open Offer will be revised. Further announcement(s) will be made by the Company to inform the Shareholders of the revised timetable.

**The Open Offer is conditional upon the fulfillment of the conditions set out in “C. Proposed Open Offer – 4. Conditions of the Open Offer and the Underwriting Agreement” of the announcement of the Company dated 7 October 2015. If the conditions of the Open Offer are not fulfilled or if any of the Underwriters exercises its right to terminate the Underwriting Agreement pursuant to the terms thereof, the Open Offer will not proceed.**

**Shareholders should note that dealings in Shares or Adjusted Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares or Adjusted Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or Adjusted Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional advisers.**

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

Hong Kong, 20 November 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.*