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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)

**RESULTS OF THE OPEN OFFER  
ON THE BASIS OF FOUR (4) OFFER SHARES  
FOR EVERY ONE (1) ADJUSTED SHARE  
HELD ON THE RECORD DATE AT HK\$0.086 PER OFFER SHARE**

Reference is made to the prospectus of Shihua Development Company Limited dated 27 January 2016 (the “**Prospectus**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

**RESULTS OF THE OPEN OFFER**

The Board is pleased to announce that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriters at or before 4:00 p.m. on Friday, 19 February 2016. The Underwriting Agreement and the Open Offer became unconditional at 4:00 p.m. on Friday, 19 February 2016.

At 4:00 p.m. on Monday, 15 February 2016, being the latest time for acceptance and payment for the Offer Shares, a total of 69 valid acceptances in respect of 1,685,935,654 Offer Shares provisionally allotted under the Open Offer were received, representing approximately 57.73% of the total number of 2,920,568,484 Offer Shares available for subscription under the Open Offer.

**UNDERWRITING ARRANGEMENTS**

Based on the above results, the Open Offer was under-subscribed by 1,234,632,830 Offer Shares (the “**Untaken Shares**”). Achieve Prosper (being one of the Underwriters and a controlling shareholder of the Company) has subscribed for all the Untaken Shares pursuant to the Underwriting Agreement. Further details are set out in the paragraph headed “Shareholding Structure of the Company” in this announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>Number of Adjusted Shares</i>	<i>Approximate %</i>	<i>Number of Adjusted Shares</i>	<i>Approximate %</i>
<i>The Concert Group</i>				
Achieve Prosper	271,438,892	37.18	2,591,827,290	71.00
Wang Xing Qiao	<u>655,000</u>	<u>0.09</u>	<u>3,275,000</u>	<u>0.09</u>
<b>Sub-total</b>	272,093,892	37.27	2,595,102,290	71.09
Public Shareholders	<u>458,048,229</u>	<u>62.73</u>	<u>1,055,608,315</u>	<u>28.91</u>
<b>Total</b>	<u><u>730,142,121</u></u>	<u><u>100.00</u></u>	<u><u>3,650,710,605</u></u>	<u><u>100.00</u></u>

## DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN THE OFFER SHARES

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to those relevant Qualifying Shareholders' addresses (as shown on the register of members of the Company) by ordinary post on or before Tuesday, 23 February 2016 at their own risk.

Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 24 February 2016.

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

Hong Kong, 22 February 2016

*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 enquiries, 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.*