

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Shihua Development Company Limited**  
**實華發展有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 485)

**SALE AND PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER  
AND  
RESUMPTION OF TRADING**

This announcement is made pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**SALE OF SHARES**

The Company was notified by Achieve Prosper that Achieve Prosper has entered into the Sale and Purchase Agreement with Lushan Investment, pursuant to which Achieve Prosper agreed to sell and Lushan Investment agreed to purchase 420,000,000 Shares, representing approximately 11.50% of the issued share capital of the Company as at the date of this announcement. Completion of the sale and purchase of the Sale Shares is expected to take place on 17 March 2016.

**PLEDGE OF SHARES**

The Company was also notified by Achieve Prosper that Achieve Prosper has entered into a share charge dated 14 March 2016 with Lushan Investment, pursuant to which Achieve Prosper has pledged 2,171,827,290 Shares, representing approximately 59.49% of the issued share capital of the Company as at the date of this announcement, in favour of Lushan Investment as the security for a loan facility of HK\$200,000,000.

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no Shares are issued or repurchased by the Company prior to the completion of the sale and purchase of the Sale Shares, the shareholding structure of the Company is as follows:

	As at the date of this announcement		Immediately after the completion of the sale and purchase of the Sale Shares and assuming that no Convertible Bonds have been converted into Shares		Immediately after the completion of the sale and purchase of the Sale Shares and assuming that the Convertible Bonds have been converted into Shares in full	
	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>
Achieve Prosper	2,591,827,290	70.99	2,171,827,290	59.49	2,171,827,290	54.61
Wang Xing Qiao	3,275,000	0.09	3,275,000	0.09	3,275,000	0.08
Lushan Investment	—	—	420,000,000	11.50	746,086,956	18.76
Sub-total:	2,595,102,290	71.08	2,595,102,290	71.08	2,921,189,246	73.45
Public Shareholders	1,055,608,315	28.92	1,055,608,315	28.92	1,055,608,315	26.55
Total:	<u>3,650,710,605</u>	<u>100.00</u>	<u>3,650,710,605</u>	<u>100.00</u>	<u>3,976,797,561</u>	<u>100.00</u>

## INFORMATION OF LUSHAN INVESTMENT

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Lushan Investment is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of China Huarong International Holdings Limited 中國華融國際控股有限公司.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been halted with effect from 9:00 a.m. on 15 March 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 16 March 2016.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Achieve Prosper”

Achieve Prosper Capital Limited, a company incorporated in Samoa with limited liability on 21 November 2013 and is wholly and beneficially owned by Hong Kong Shihua

“Board”	board of Directors
“Company”	Shihua Development Company Limited (實華發展有限公司), a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	3% convertible bonds due 2017 in the principal amount of HK\$75,000,000 issued by the Company to Achieve Prosper on 30 July 2014 as more particularly described in the circular of the Company dated 24 May 2014, which was subsequently transferred to Lushan Investment on 30 December 2015
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Shihua”	Hong Kong Shihua Holdings Limited, a company incorporated in Hong Kong with limited liability on 12 December 2013, the entire issued share capital of which is legally and beneficially owned by Liaoning Shihua Property
“Liaoning Shihua Property”	遼寧實華(集團)房地產開發有限公司 (Liaoning Shihua (Group) Property Development Company Limited*), a company established in the PRC on 12 January 1998 with limited liability which is controlled as to 82.8% of its equity interest by Mr. Wang Jing, the Chairman of the Board and an executive Director, 16.0% by Ms. Wang Yi Qiao (Mr. Wang Jing’s daughter) and 1.2% by Ms. Hu Bao Qin (Mr. Wang Jing’s spouse)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lushan Investment”	Lushan Investment Holding Limited, a company incorporated in the British Virgin Islands which are more particularly described in the section headed “Information of Lushan Investment” of this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China

“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 14 March 2016 entered into between Achieve Prosper and Lushan Investment regarding the sale and purchase of the Sale Shares
“Sale Shares”	420,000,000 Shares to be sold by Achieve Prosper to Lushan Investment pursuant to the Sale and Purchase Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wang Xing Qiao”	Mr. Wang Xing Qiao, an executive Director and the Chief Executive Officer of the Company, being the son of Mr. Wang Jing, the Chairman of the Board
“%”	per cent

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

Hong Kong, 16 March 2016

*\* For identification purpose only*

*As at the date of this announcement, the board of directors of the Company 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.*