



**Shenhua International Limited**  
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Melbourne, VIC 3000  
Australia

**Australian Securities Exchange Announcement**

18 May 2015

The Manager  
Companies Announcement Officer  
Australian Securities Exchange  
Electronic Lodgement

Dear Sir/Madam

**Shenhua International Limited (ASX: SHU; “SHU” or the “Company”) – Company Update**

The company is pleased to provide the following market update regarding its business orders.

As the international market demand for textile and garment remains weak, the Chinese foreign trade index continues to drop. Overall, it is an indisputable fact that foreign trade situation confronting China is getting worse. For this reason, an executive meeting of the State Council held on 28 April 2015 proposed a series of preferential policies on import and export of consumption goods, which includes reduction of import tariffs, adjustment on the scope of mass consumption goods taxation and so on.

Despite the cost of raw materials has declined compared to last year, the labor, financing, environmental protection and other costs remain high. As there are about 80,000 textile and garment export enterprises in China, in the continuous and fierce competition, only major enterprises with powerful comprehensive strength and strong risk-resistant capacity will win through.

Under such circumstance, the Company began negotiations with purchasers from Cuba at the beginning of 2014 and a trial order was successfully placed in June 2014. After that, in November 2014 and March 2015 the Cuban buyers placed orders for our conventional sofa cloth with quantities of 175,000 meters and 153,000 meters respectively. There are two more such orders with quantities of 140,000 meters and 280,000 meters currently under negotiations with the Cuban buyers.

Furthermore, at the just concluded 2015 Canton Fair in Guangzhou in May, the Company has secured a \$210,000 order of finished curtain products with the Global Textile (UK) Ltd.

A handwritten signature in black ink, consisting of two Chinese characters, '薛' (Xue) and '涛' (Tao), written in a cursive style.

Tao Xue

Company Secretary

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