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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)

### **INSIDE INFORMATION** **ACQUISITION OF LAND USE RIGHTS**

This announcement is made by Shihua Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

#### **ACQUISITION OF LAND USE RIGHTS**

As stated in the circular of the Company dated 27 November 2015, the Group was in preliminary discussion for the acquisition of a piece of land in the People’s Republic of China (the “**PRC**”) for commercial use. The Board is pleased to announce that on 11 December 2015, 本溪尊赫實業有限公司 (Benxi Zunhe Industrial Limited\*) (“**Benxi Zunhe**”), a wholly-owned subsidiary of the Company, entered into a land use rights grant contract (the “**Contract**”) with the Land and Resources Bureau of Benxi City (the “**Benxi Land Bureau**”). Pursuant to the terms of the Contract, Benxi Zunhe acquired the land use rights of a parcel of land of site area of 1,075 sq.m. located in front of the train station of Benxi City, Liaoning Province, the PRC (the “**Land**”) at a consideration of RMB9,400,000 (the “**Consideration**”). The Land is for accommodation, food and beverage uses. The term of the grant is 40 years from the date of delivery of the Land by the Benxi Land Bureau which shall take place before 26 October 2016 according to the Contract.

As at the date of this announcement, Benxi Zunhe has settled the Consideration in full. The acquisition of the land use rights of the Land and the development of the Land is and will be financed by the Group’s internal resources.

The Group currently intends to develop the Land for commercial use and the Land will comprise a commercial property with a total gross floor area of approximately 960 sq.m., which could be used for running a catering business. The property could be used for leasing to generate stable rental income for the Group. The Board considers that the acquisition of the land use rights of the Land will

enable the Group to diversify its business and broaden its sources of revenue in the future and is of the view that the acquisition is in the interest of the Company and the shareholders of the Company as a whole.

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

Hong Kong, 14 December 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.*

\* *For identification purpose only*