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Renhe Commercial Holdings Company Limited

人和商業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1387)

ANNOUNCEMENT

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED
SHARE CAPITAL OF YIELD SMART LIMITED;**

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE FRAMEWORK LEASE AGREEMENT;**

AND

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

**Independent Financial Adviser
to the Independent Board Committee
and the Independent Shareholders**



SOMERLEY CAPITAL LIMITED

THE ACQUISITION

The Board is pleased to announce that on 9 June 2015, after trading hours, the Company entered into the Acquisition Agreement with the Vendor to acquire the Sale Shares, being the entire issued share capital of the Target Company. The consideration for the Acquisition is HK\$6.5 billion and shall be satisfied (i) as to HK\$5.02 billion by the allotment and issue of 12,243,902,439 Consideration Shares at an issue price of HK\$0.41 per Consideration Share by the Company to the Vendor; and (ii) as to HK\$1.48 billion by the assumption of the Loan by the Company before or upon Completion. The Consideration Shares represent approximately 27.85% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Target Company is currently undergoing the Reorganization. Upon completion of the Reorganization, the Target Group will operate eight Markets in the PRC. The Directors, excluding the independent non-executive Directors who reserve their opinions pending receipt of advice from the Independent Financial Adviser, are of the view that the terms of the Acquisition Agreement are on normal commercial terms and are fair and reasonable, and that the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company upon Completion and in the interests of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

Framework Lease Agreement

In connection with the Acquisition, the Vendor (as lessor) entered into the Framework Lease Agreement with the Target Company (as lessee), on 9 June 2015, pursuant to which the Target Company will procure the New PRC Operating Companies to enter into the Leasing Agreements with the PRC Vendors in respect of the leasing of certain properties (including land and buildings) in the PRC to facilitate the operation of the Target Business by the New PRC Operating Companies upon Completion.

Trademarks Licensing Agreement

For the on-going operation of the Target Business subsequent to Completion, Harbin Hada (as licensor) and Harbin Dili (as licensee), will enter into the Trademark Licensing Agreement, pursuant to which the licensor will grant to the licensee the right to use certain trademarks registered in the name of the licensor in the PRC for a term of 20 years at nil consideration.

LISTING RULES IMPLICATIONS

With respect to the Acquisition, as some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as the Vendor is a wholly-owned subsidiary of Shouguang Dili, which is ultimately held as to 67.86% by Ms. Zhang, a non-executive Director and the spouse of Mr.

Dai. Accordingly, the Vendor is a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction of the Company under Rule 14A.25 of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Dai and his associates, including Ms. Zhang, are required to abstain from voting on the resolution(s) approving the Acquisition at the EGM. Voting at the EGM will be conducted by poll.

With respect to the entering into of the Framework Lease Agreement, as the Vendor is a connected person of the Company under the Listing Rules as illustrated above, the entering into of the Framework Lease Agreement between the Vendor and the Target Company (which will form part of the Enlarged Group upon Completion) constitutes a continuing connected transaction of the Enlarged Group under Rule 14A.31 of the Listing Rules. As certain applicable percentage ratios of the Framework Lease Agreement exceed 5% and the aggregate annual rental under the Framework Lease Agreement is more than HK\$10,000,000, the Framework Lease Agreement and the transactions contemplated under the Framework Lease Agreement constitute a non-exempt continuing connected transaction of the Company, and are subject to the reporting, announcement, circular and the Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Mr. Dai and his associates, including Ms. Zhang, are required to abstain from voting on the resolution(s) approving the Framework Lease Agreement at the EGM. Pursuant to Rule 14A.52 of the Listing Rules, as the term under the Framework Lease Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain to the Independent Board Committee and the Independent Shareholders as to why the Framework Lease Agreement is required to be of a period exceeding three years and to confirm that they are in the normal business practice for contracts of this type to be of such duration.

With respect to the Trademark Licensing Agreement, as Harbin Hada is ultimately held by the Vendor, which is in turn held as to 67.86% by Ms. Zhang, a non-executive Director and the spouse of Mr. Dai, accordingly, Harbin Hada is a connected person of the Company under the Listing Rules and the entering into of the Trademark Licensing Agreement between Harbin Hada and Harbin Dili, one of the New PRC Operating Companies (which will form part of the Enlarged Group upon Completion) constitutes a continuing connected transaction of the Enlarged Group under Rule 14A.31 of the Listing Rules.

However, as the licensor will grant to the licensee the right to use certain trademarks registered in the name of the licensor in the PRC at nil consideration, as a result, all applicable percentage ratios for the Trademark Licensing Agreement are less than 0.1% and therefore the continuing connected transaction is fully exempt under Rule 14A.76 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising of all of the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are on normal commercial terms, are fair and reasonable, and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and to make a recommendation to the Independent Shareholders on

how to vote, taking into account the advice from the Independent Financial Adviser. None of the members of the Independent Board Committee is directly or indirectly interested or involved in the Acquisition and the transactions contemplated under the Framework Lease Agreement.

With the approval of the Independent Board Committee, the Company has appointed Somerley Capital Limited as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are on normal commercial terms and are fair and reasonable, and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and to advise the Independent Board Committee on how to vote.

EGM AND CIRCULAR

The EGM will be convened as soon as practicable at which an ordinary resolution will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve, among others, the Acquisition Agreement, the Acquisition, the Framework Lease Agreement and the transactions contemplated under the Framework Lease Agreement.

A circular containing, amongst other information, (i) further information on the Acquisition and the Target Company; (ii) further details of the Framework Lease Agreement; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are fair and reasonable and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and advising the Independent Shareholders on how to vote, taking into account the recommendations from the Independent Financial Adviser; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are fair and reasonable and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and advising the Independent Board Committee on how to vote; (v) a notice of the EGM, is expected to be dispatched to the Shareholders on or before 30 June 2015.

Shareholders and investors should note that the Acquisition Agreement is subject to various conditions as stated in the section headed “The Acquisition Agreement – Conditions precedent” below and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that the Company entered into the Acquisition Agreement with the Vendor to acquire the Sale Shares in the Target Company after trading hours on 9 June 2015. The principal terms of the Acquisition Agreement are summarized as follows:

THE ACQUISITION AGREEMENT

Date : 9 June 2015

Purchaser : The Company

Vendor : New Amuse Limited

The Vendor is a company incorporated in BVI with limited liability, which is wholly-owned by Shouguang Dili, which is in turn held as to 67.86% by Ms. Zhang, a non-executive Director and the spouse of Mr. Dai, through a series of investment holding companies. The other shareholders of Shouguang Dili are private equity funds and securities investment companies, which are Independent Third Parties.

Interests to be acquired under the Acquisition

Pursuant to the Acquisition Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The consideration payable by the Company to the Vendor pursuant to the Acquisition Agreement is HK\$6.5 billion, which shall be satisfied by (i) the allotment and issue of 12,243,902,439 Consideration Shares at an issue price of HK\$0.41 per Consideration Share, credited as fully paid, to the Vendor on the Completion Date; and (ii) the assumption of the Loan in the aggregate amount of approximately USD191 million (together with the interest accrued) by the Company before or upon Completion.

Basis of the Consideration

The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the parties to the Acquisition Agreement following due consideration of, without limitation, the following factors:

- a. the preliminary valuation on the Target Business of HK\$6.5 billion prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer, adopting income-based approach using discounted cash flow method;
- b. the assumption of the Loan by the Company;
- c. the Profit Guarantee to be provided by the Vendor;
- d. the business development and future prospectus of the Target Business; and

- e. the synergies expected to be generated between the Group and the Target Group upon Completion as stated in the section headed “Reasons for and benefits of the Acquisition” below.

The principal assumptions used in the preliminary valuation of the Target Business are as follows:

- a. there will be sufficient supply of relevant staff in the industry in which the Target Business operates;
- b. the Target Group will retain competent management, key personnel and technical staff support its ongoing operations and developments of the Target Business;
- c. all relevant legal approvals and business certificates or license to operate the Target Business would be officially obtained, and renewed upon expiry;
- d. there will be no major changes in the current taxation laws relevant to the Target Business and that the rates of tax payable shall remain unchanged and that all applicable laws and regulation will be complied with; and
- e. there will be no major changes in the political, legal economic or financial conditions in the localities in which the Target Business operates, which would adversely affect the revenues attributable to and profitability of the Target Business.

Consideration Shares

The Consideration Shares represent approximately 38.60% of the issued share capital of the Company as at the date of this announcement and approximately 27.85% of the issued share capital of the Company as enlarged by the issuance of the Consideration Shares.

The Consideration Shares when allotted and issued, will rank *pari passu* in all respects among themselves and with all existing Shares then in issue on the date of such allotment and issue, including the right to receive all future dividends and distributions declared, made or paid by the Company on or after the date of the issue of the Consideration Shares.

The Consideration Shares will be issued pursuant to a specific mandate to be obtained from the Independent Shareholders at the EGM. Due to the limitation of the existing authorized share capital of the Company, the issuance of the Consideration Shares is also subject to the approval of the Independent Shareholders on the increase of the authorized share capital of the Company.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Issue price

The Consideration Shares will be issued at the issue price of HK\$0.41 per Consideration Share, which was determined after arm’s length negotiation between the Company and the Vendor with reference to the trading prices of the Shares in the last 90 days up to and including the Relevant Trading Day, which represents:

- (a) a discount of approximately 50.00% over the closing price of the Shares of HK\$0.8200 as quoted on the Stock Exchange on the Relevant Trading Day;
- (b) a discount of approximately 44.14% over the average closing price of the Shares of HK\$0.7340 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Relevant Trading Day;
- (c) a discount of approximately 32.40% over the average closing price of the Shares of HK\$0.6065 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Relevant Trading Day;
- (d) a discount of approximately 15.34% over the average closing price of the Shares of HK\$0.4843 as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Relevant Trading Day;
- (e) a discount of approximately 4.61% over the average closing price of the Shares of HK\$0.4298 as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Relevant Trading Day;
- (f) a premium of approximately 2.42% over the average closing price of the Shares of HK\$0.4003 as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Relevant Trading Day; and
- (g) a discount of approximately 63.16% over the Group's latest audited net asset per Share as at 31 December 2014 of HK\$1.1130 .

Conditions precedent

Completion is subject to, among other things, the satisfaction of the following conditions set out in the Acquisition Agreement:

- (a) the completion of the Reorganization to the satisfaction of the Company;
- (b) the completion of due diligence to the reasonable satisfaction of the Company in its absolute discretion in relation to the Target Business;
- (c) the Company having obtained PRC legal opinion(s), in form and substance absolutely satisfactory to the Company, issued by PRC legal advisers reasonably acceptable to the Company covering all relevant issues of the laws of the PRC reasonably required by the Company to be confirmed including but not limited to opinions on the legality of the Reorganization, the on-going operation of the Target Business by the Enlarged Group upon Completion and such other matters relevant to the transactions contemplated under the Acquisition as may be reasonably required by the Company;
- (d) the Company continuing to meet the minimum public float requirement under the Listing Rules immediately after Completion and upon issue of Consideration Shares;
- (e) all relevant licences, permissions, waivers, orders, exemptions, notification, authorizations, consents, confirmations and approvals from the relevant third parties and/or bodies necessary for the consummation and implementation of the transactions

contemplated by the Reorganization and the Acquisition Agreement having been obtained, effective and not having been revoked;

- (f) all relevant licences, permissions, waivers, orders, exemptions, notification, authorizations, consents, confirmations and approvals from the relevant governmental or regulatory authorities necessary for the consummation and implementation of the transactions contemplated by the Reorganization and the Acquisition Agreement having been obtained, effective and not having been revoked, including but not limited to:
 - (i) the approval of Independent Shareholders having been obtained at a duly convened shareholders' meeting of the Company approving the (A) Acquisition Agreement and the transactions contemplated thereunder, including the sale and purchase of the Sale Shares, the issue and allotment of the Consideration Shares under a specific mandate and the increased in the authorized share capital of the Company for the purpose of issuance of the Consideration Shares; and (B) the continuing connected transaction contemplated under the Framework Lease Agreement;
 - (ii) all relevant licences, consents and approvals from relevant PRC government authorities and agencies necessary for the implementation of the transactions contemplated by the Acquisition Agreement in accordance with the applicable PRC laws; and
 - (iii) the consents (if appropriate or required) of the Stock Exchange and all filings with any relevant governmental regulatory authorities and other relevant third parties in Hong Kong, or elsewhere which are required or appropriate for the entering into and the implementation of the Acquisition Agreement having been made;
- (g) the execution of a deed of assignment or any other forms of documents for the Company to assume the Loan from Shouguang Dili;
- (h) the Company as purchaser having received a business valuation report (in substance and form satisfactory to the Company);
- (i) the representations and warranties provided by the Vendor contained in the Acquisition Agreement remaining true and accurate as at the Completion Date and as if repeated at all time between the date of the Acquisition Agreement and the Completion Date;
- (j) the approval of the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange being obtained; and
- (k) the Vendor having performed and complied with all agreements, obligations, and conditions contained in the Acquisition Agreement that are required to be performed or complied with by it on or before completion of the transactions contemplated thereunder.

The Company may waive in writing any of the conditions precedent specified above (save and except conditions (a), (d), (f) and (j)) at any time.

In the event that the Company elects to have condition (g) waived and to proceed to Completion, the Company shall assume the Loan (with interest accrued thereunder) and repay the same to the Vendor as soon as practicable on or before the respective maturity date(s) of the original Loan.

Pursuant to the Acquisition Agreement, if any of the conditions of the Acquisition Agreement is not fulfilled or waived by the Parties before the expiry of 31 December 2015 (or such later date to be agreed between the parties to the Acquisition Agreement in writing), the Acquisition Agreement will lapse and all obligations and liabilities of the parties thereunder (with the exception of certain provisions intended to survive any termination) shall cease.

Completion

Completion is expected to take place on or before 31 December 2015 or a date no later than the second Business Days from the date on which all conditions in the Acquisition Agreement have been fulfilled or waived, whichever is earlier.

Upon Completion, the Target Group will become wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the accounts of the Group.

Profit Guarantee

Pursuant to the Acquisition Agreement, the Vendor, has warranted and guaranteed to the Company that the net profit before amortization of intangible assets and after tax of the Target Group as shown in the management accounts (the “**Subsequent Net Profit**”) (i) for the financial year ending 31 December 2015 will not be less than RMB500 million (which represents approximately HK\$625 million using an exchange rate of RMB1 to HKD1.25) assuming the Reorganization has taken place from the very first day of the financial period in relation to the financial year ending 31 December 2015 and (ii) for the financial year ending 31 December 2016 will not be less than RMB600 million (which represents approximately HK\$750 million, using the same exchange rate), each of RMB500 million and RMB600 million (the “**Guaranteed Amount**”) (the “**Profit Guarantee**”). For the purpose of the Profit Guarantee, the aggregate Guaranteed Amount for the two years ending 31 December 2016 shall not be less than RMB1,100 million (the “**Aggregated Guaranteed Amount**”).

The Guaranteed Amount was determined by the parties on an arm’s length basis with reference to the historical profits generated from the Target Business of approximately RMB421 million for the year ended 31 December 2014 and the projected growth in the Target Business of around 18% to 20% each year. Pursuant to the Acquisition Agreement, the obligation of the Vendor in relation to the Profit Guarantee shall lapse if one of the following force majeure events occur, including:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever; or
- (b) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before and/or after

the date of the Acquisition Agreement, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict,

resulting in material and adverse change in the operation, business and financial position of the Target Group.

In the event that the aggregate Subsequent Net Profit for the two financial years ending 31 December 2016 is less than the Aggregated Guaranteed Amount, the Vendor shall indemnify the Company an amount in cash equal to the shortfall between the aggregate Subsequent Net Profit and the Aggregated Guaranteed Amount multiplied by 8.66 times of the price-earnings ratio in Renminbi, which was the same price-earnings ratio upon which the Consideration of HK\$6.5 billion was determined based on a projected profit of HK\$750 million for the financial year ending 31 December 2016.

The Company and the Vendor shall procure management accounts (assuming the Reorganization has taken place from the first day of the financial period in relation to the financial year ending 31 December 2015) in respect of the Target Business or the Target Group be prepared in accordance with the applicable accounting rules and principles and be reviewed by an independent audit firm within three months after 31 December 2016. The amounts as shown in the management accounts representing the net profit before amortization of intangible assets and after tax in each of the two financial years ending 31 December 2016 as reviewed or confirmed by the independent audit firm shall be final and binding on the parties for the purpose of Profit Guarantee.

INFORMATION OF THE GROUP

The Company and its subsidiaries are principally engaged in the development, lease and management of underground malls in the PRC. The main revenue of the Group is attributable to the income from leasing of shop units in underground shopping malls to its tenant. As at 31 December 2014, the Group managed 22 malls across 12 cities in the PRC with a total GFA of 1.27 million sq.m under management, and a leasable GFA of 0.83 million sq.m.. The Group's project reserves stand at 4.81 million sq.m., which includes 12 projects with total planned GFA of 1.32 million sq.m where construction has been commenced, and also 19 projects with a total approved GFA of 3.49 million which the Group has received approvals for the construction.

INFORMATION OF THE VENDOR

The Vendor is an investment holding company incorporated in the BVI with limited liability, and is currently wholly-owned by Shouguang Dili, which is in turn beneficially held as to 67.86% by Ms. Zhang and 32.14% by private equity funds and securities investment companies, which are Independent Third Parties.

INFORMATION OF SHOUGUANG DILI, THE PRC VENDORS AND THE TARGET BUSINESS

Shouguang Dili and the PRC Vendors

Shouguang Dili is currently the ultimate holding company of the Vendor and the PRC Vendors. The PRC Vendors are the main operating subsidiaries of the Target Business as of the date of this announcement.

Target Business

The Target Business is an operator of eight Markets in six cities in the PRC namely Harbin, Qiqihar, Shenyang, Guiyang, Mudanjiang and Shouguang, which are engaged in the wholesaling and retailing of primarily vegetables and also fruits, seafood, meat, grain and oil and other food produce. As at the date of this announcement, the eight Markets operated by the respective PRC Vendors are as shown in the table below:

Wholesale Market of the Target Business	Location	Relevant operating PRC Vendor(s)
China Shouguang Agricultural Produce Logistics Park	Shouguang City, Shandong Province, the PRC	壽光農產品物流園有限公司(Shouguang Agri-Products Logistics Park Company Limited**)
Guiyang Agricultural Produce Logistics Park	Guiyang City, Guizhou Province, the PRC	貴陽地利農產品物流園有限公司(Guiyang Dili Agri-Products Logistics Park Company Limited**)
Harbin Hada Agricultural Produce Market	Harbin City, Heilongjiang Province, the PRC	哈爾濱哈達農副產品股份有限公司(Harbin Hada Agricultural and Sideline Products Joint Stock Company Limited**)
Harbin Youyi Agricultural Produce Market	Harbin City, Heilongjiang Province, the PRC	哈爾濱友誼倉儲有限責任公司(Harbin Youyi Warehouse Company Limited**)
Qiqihar Hada Agricultural Produce Market	Qiqihar City, Heilongjiang Province, the PRC	齊齊哈爾哈達農副產品有限責任公司(Qiqihar Hada Agricultural and Sideline Products Company Limited**)
Muda International Agricultural Produce Logistics Park	Mudanjiang City, Heilongjiang Province, the PRC	牡丹江牡達農副產品有限公司(Mudanjiang Muda Agricultural and Sideline Products Company Limited**)
Shenyang Fruit and Vegetable Market	Shenyang City, Liaoning Province, the PRC	瀋陽地利農副產品有限公司(Shenyang Dili Agricultural and Sideline Products Company Limited**) and 遼寧銀達利置業投資有限公司(Liaoning Yindali Property Investment Company Limited**)
Shenyang Fruit Market	Shenyang City, Liaoning Province, the PRC	瀋陽金東貿置業有限公司(Shenyang Jindongmao Property Company Limited**)

The business model of the Target Business primarily consists of the following:

- (a) the leasing or providing of space in the form of trading halls or open areas to the traders for the trading of agriculture produce;
- (b) the leasing or providing of warehouses, icehouses and other designated spaces to the traders for the storage and packaging of agriculture produce;
- (c) the provision of transportation and third-party logistics information services to traders; and
- (d) other value-added services including packaging of the agriculture produce.

Based on the unaudited management accounts of the Target Business (before the Reorganization), the historical financial information for the two years ended 31 December 2014 is set out below.

	For the Financial Year Ended	
	31 December 2013 (RMB'000 approx.)	31 December 2014 (RMB'000 approx.)
Net profits / (loss) before taxation	539,405	1,053,128
Net profits / (loss) after taxation	387,287	785,532

Assuming the Reorganization has taken place from the very first day of the financial period, the historical financial information for the two years ended 31 December 2014 is set out below:

	For the Financial Year Ended	
	31 December 2013 (RMB'000 approx.)	31 December 2014 (RMB'000 approx.)
Net profits / (loss) after taxation	305,677	421,067

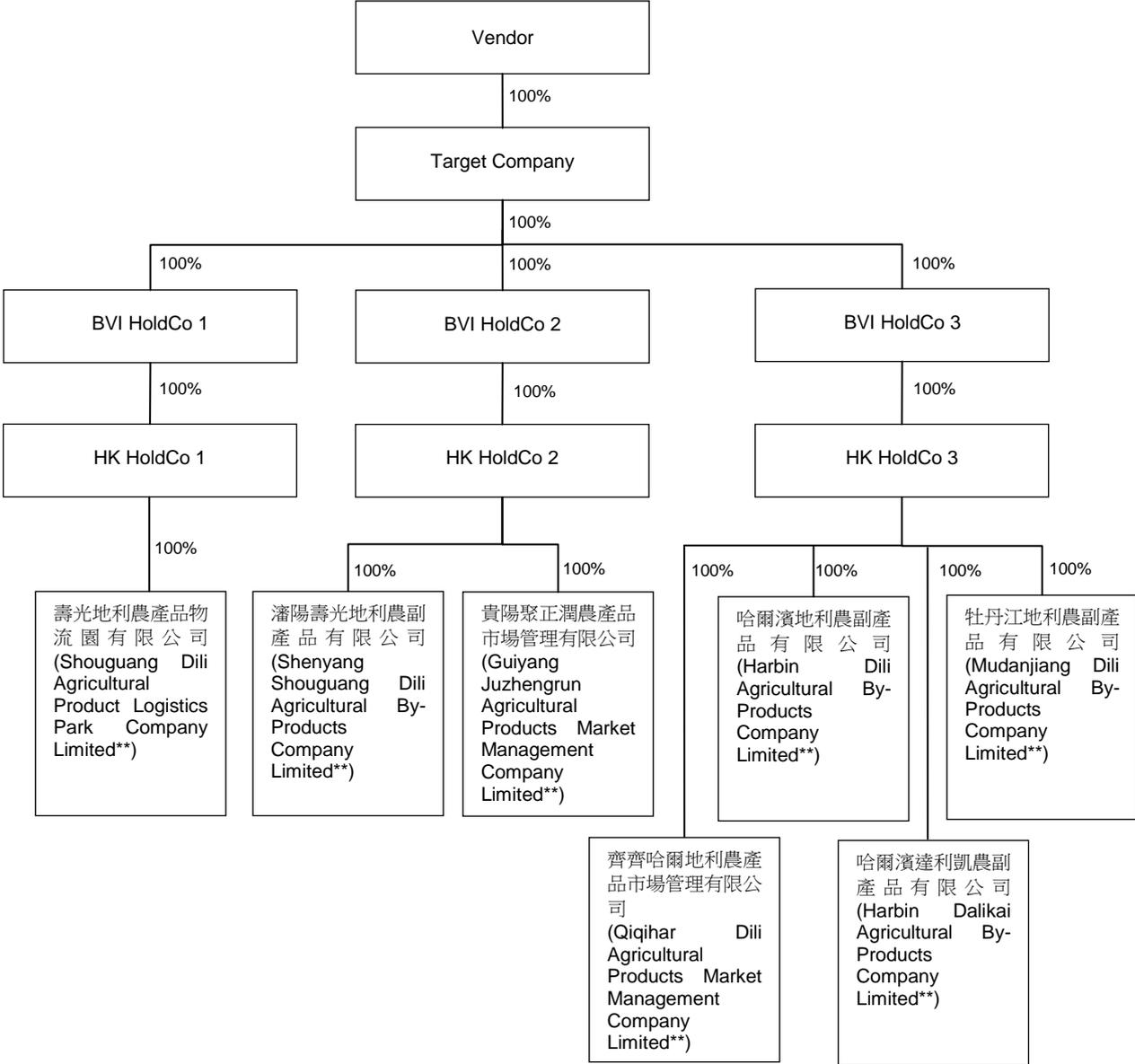
Reorganization

The Target Company is currently undergoing the Reorganization pursuant to which the Vendor shall procure the New PRC Operating Companies shall before Completion (i) assume or take up all the existing Business Contracts; (ii) enter into employment agreements with the senior management who were previously employed by the PRC Vendors; and (iii) enter into the Leasing Agreements with the relevant PRC Vendors pursuant to the terms of the Framework Lease Agreement.

The Framework Lease Agreement will constitute a continuing connected transaction under Rule 14A.31 of the Listing Rules. For further details, please refer to the section headed “Continuing Connected Transactions – The Framework Lease Agreement” in this announcement.

INFORMATION OF THE TARGET GROUP

The Target Company is an investment holding company established on 30 March 2015 in BVI. Pursuant to the Reorganization, three BVI companies (namely BVI HoldCo 1, BVI HoldCo 2 and BVI HoldCo 3 in the chart below) and three Hong Kong companies (namely HK HoldCo 1, HK HoldCo 2 and HK HoldCo3 in the chart below) have been established, each of the Hong Kong holding companies should hold the entire interest of one to four New PRC Operating Companies in each locality for the purpose of operation of the Target Business. Set out below is the shareholding structure of the Target Group as of the date of this announcement.



** English names are direct translation of the Chinese name and for reference only

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is an operator of underground shopping malls in the PRC for wholesale and retail sales of apparels, accessories and agriculture produce such as fruits, vegetables and seafood. As mentioned in the annual results announcement for the year ended 31 December 2014 of the Company dated 26 March 2015, given the challenging macro environment and its capital constraints, the Company has, since 2013, slowed down its expansion and adopted a prudent approach in terms of commencing construction of new projects. On the other hand, to better equip itself for the challenges in the macro environment, the Company has been looking for expansion opportunities to broaden its business base and mitigate risks. The Directors consider it beneficial for the Company to diversify its existing business portfolio by tapping into new areas of business with growth potentials and the Acquisition presents the Company with the opportunity to achieve that.

Since its listing, the Group has developed an expertise in operating shopping malls for the sale of apparels and accessories and as such, the Acquisition is a sensible and natural step in extending the Company's established expertise into operating markets for the trading of agriculture produce and in doing so, broaden its income base. Furthermore, the Acquisition also allows the Group to expand its geographical reach in the PRC as some of the agriculture produce markets are located in areas which the Group does not currently have a presence.

In light of the above, the Directors (excluding all the independent non-executive Directors whose views will be contained in the circular), are of the view that the terms of the Acquisition Agreement are on normal commercial terms, in the ordinary course of business, and in the interests of the Group, the Company and the Shareholders as a whole.

INTENTION OF THE COMPANY

The Board considers that the business models and income models of the Target Business and the Company's business share various similarities, and the two businesses are complementary in nature with one another and create synergies for one another. It is expected that the operation of the agriculture produce markets and the operation of the shopping malls will be run in parallel after the completion of the Acquisition and it is currently intended that the Company will continue to retain the existing business in the same scale. It is also the present intention of the Company to explore the possibility of developing e-commerce business for agricultural produce trading by bringing together traders through an electronic trading platform and network to create virtual market places. It however is still at preliminary planning stage and the Company will make further announcement(s) as and when appropriate or as may be required in accordance with the Listing Rules.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE COMPLETION OF ACQUISITION AND THE DILUTION EFFECT TO THE EXISTING SHAREHOLDERS

Subsequent to the issue of the Consideration Shares to the Vendor, the Vendor will be interested in approximately 27.85% in the share capital of the Company immediately after the Completion as enlarged by the issue of the Consideration Shares. Upon the Completion, Mr. Dai, Ms. Zhang and their associates are expected to collectively hold 64.92% of the enlarged

issued share capital of the Company and there will be a dilution effect to the minority Shareholders shareholding interests in the Company upon the Completion.

Set out below is a table showing, for the purpose of illustration, the shareholding structure of the Company before and after the issue of the Consideration Shares (assuming that save for the Consideration Shares, no further Shares will be issued by the Company after the date of this announcement until completion of the Acquisition):

	As at the date of this announcement		Shareholding immediately after Completion	
	No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares
Super Brilliant Investments Limited (note 1)	15,383,738,082	48.49	15,383,738,082	34.99
Gloss Season Limited (note 1)	122,400,000	0.39	122,400,000	0.28
Wealthy Aim (note 1)	640,762,050	2.02	640,762,050	1.45
Mr. Dai (note 2)	153,900,000	0.48	153,900,000	0.35
Vendor (note 3)	--	--	12,243,902,439	27.85
Other Shareholders	15,421,397,868	48.62	15,421,397,868	35.08
Total	31,722,198,000	100.00	43,966,100,439	100.00

Note 1: Super Brilliant Investment Limited is wholly-owned by Shining Hill Investments Limited which is in turn wholly owned by Mr. Dai. Gloss Season Limited is wholly-owned by Mr. Dai. Wealthy Aim Holdings Limited is wholly-owned by Board Long Limited, which is wholly-owned by Mr. Dai.

Note 2: Mr. Dai is directly interested in 153,900,000 Shares, together with his interest in Super Brilliant Investments Limited, Gloss Season Limited and Wealthy Aim Holdings Limited, Mr. Dai is interested in (directly and indirectly) 16,300,800,132 Shares in aggregate, amounting to approximately 51.38% of the total issued shares of the Company. Ms. Zhang is deemed to be interested in the Shares which Mr. Dai is interested in (directly and indirectly) as she is the spouse of Mr. Dai.

Note 3: As Vendor is ultimately controlled by Ms. Zhang, as such Mr. Dai, being his spouse, will also be deemed to be interested in the Consideration Shares issued as a result of the Acquisition

Reference is made to the announcement made by the Company on 30 June 2014 relating to, among others, the change in the ultimate controlling shareholder of the Company from Mrs. Hawken Xiu Li (“**Mrs. Hawken**”) to Mr. Dai, whereby Mrs. Hawken transferred her entire

interest in the Company as a gift to her brother, Mr. Dai (the “**Gift Transfer**”). As Mr. Dai and Mrs. Hawken are close relatives and are members of the same concert group, there was no change in control under the Code on Takeovers and Mergers as a result of the Gift Transfer, and the obligation to make a mandatory general offer for the Shares has been waived by the Securities and Futures Commission.

CONTINUING CONNECTED TRANSACTIONS

THE FRAMEWORK LEASE AGREEMENT

For the on-going operation of the Target Business subsequent to Completion, the Vendor (as lessor) entered into the Framework Lease Agreement with the Target Company (as lessee) on 9 June 2015, pursuant to which the Target Company will upon Completion, procure the New PRC Operating Companies to enter into the Leasing Agreements with the PRC in respect of the leasing of the relevant properties (including land and buildings) necessary for the on-going operation of the Target Business in the relevant locality. Particulars of the Framework Lease Agreement are set out below:

- Date: 9 June 2015
- Parties: Vendor as lessor
Target Company as lessee
- Premises: Certain land and properties in each of the six cities in the PRC namely Harbin, Qiqihar, Shenyang, Guiyang, Mudanjiang and Shouguang
- Permitted Usage: For operation of Markets for wholesaling and retailing of agricultural produce
- Term: Fixed term of 20 years commencing from the Completion Date and shall terminate on 31 December 2035, subject to the option to renew as described below

During the Term, the Vendor (as lessor) and the Target Company (as lessee) will procure the New PRC Operating Companies to enter into the Leasing Agreements with the PRC Vendors in respect of the leasing of the premises stipulated above.
- Annual Rent: RMB100 million per year commencing from the Completion Date to 31 December 2018, exclusive of operating charges, property tax and other outgoings

RMB105 million per year commencing from 1 January 2019 to 31 December 2021, exclusive of operating charges, property tax and other outgoings

RMB110.25 million per year commencing from 1 January 2022 to 31 December 2024, exclusive of operating charges, property tax and other outgoings

RMB115.76 million per year commencing from 1 January 2025 to 31 December 2027, exclusive of operating charges, property tax and other outgoings

RMB121.55 million per year commencing from 1 January 2028 to 31 December 2030, exclusive of operating charges, property tax and other outgoings

RMB127.63 million per year commencing from 1 January 2031 to 31 December 2033, exclusive of operating charges, property tax and other outgoings

RMB134.01 million per year commencing from 1 January 2034 to 31 December 2035, exclusive of operating charges, property tax and other outgoings

Option to Renew: At the discretion of the Target Company or the relevant entity of the Target Group (being part of the Enlarged Group post Completion), the agreement can be renewed with RMB134.01 million as the base rent with 5% increments for every three years for the renewed term.

The Framework Lease Agreement shall only take effect upon Completion. In the event that the Acquisition Agreement does not proceed to Completion, the Framework Lease Agreement will lapse and have no effect.

REASONS FOR AND BENEFITS FOR ENTERING INTO OF THE FRAMEWORK LEASE AGREEMENT

For the on-going operation of the Target Business subsequent to Completion, the Vendor (as lessor) entered into the Framework Lease Agreement with the Target Company (as lessee), pursuant to which the Target Company will procure the New PRC Operating Companies to enter into the Leasing Agreements with the PRC Vendors in respect of the leasing of certain properties (including land and buildings) necessary for the on-going operation of the Target Business by the New PRC Operating Companies in the relevant locality. The Framework Lease Agreement is arrived at after arm's length negotiations between the PRC Vendors and the New PRC Operating Companies based on normal commercial terms. The annual rent as stipulated above are determined after making reference to the prevailing market rents payable for similar land and properties of comparable size, vicinity and location, if available. With respect to the proposed 5% increase from the base rent for every three years for the renewed term, it is lower than the generally expected inflation rate for the coming years. Pursuant to Rule 14A.52 of the Listing Rules, as the term under the Framework Lease Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain as to why the Framework Lease Agreement is required to be of a period exceeding three years and to confirm that they are in the normal business practice for contracts of this type to be of such duration. The opinion from the Independent Financial Adviser will be included in the circular to be dispatched to the Shareholders on or before 30 June 2015.

THE TRADEMARK LICENSING AGREEMENT

For the on-going operation of the Target Business subsequent to Completion, Harbin Hada (as licensor) and Harbin Dili (as licensee) will enter into the Trademark Licensing Agreement, pursuant to which the licensor will grant to the licensee the right to use certain trademarks registered in the name of the licensor in the PRC for a term of 20 years at nil consideration. Harbin Hada was prepared to grant the license at nil consideration as almost all of its Target Business will have been transferred to the Company after the Reorganization and Completion, and it retains no Target Business thereafter.

The Trademark Licensing Agreement shall only take effect up Completion. In the event that the Acquisition Agreement does not proceed to Completion, the Trademark Licensing Agreement shall lapse and have no effect.

IMPLICATIONS OF THE LISTING RULES

With respect to the Acquisition, as some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as the Vendor is a wholly-owned subsidiary of Shouguang Dili, which is ultimately held as to 67.86% by Ms. Zhang, a non-executive Director and the spouse of Mr. Dai, the Vendor is therefore an associate of Mr. Dai. Accordingly, the Vendor is a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction of the Company under Rule 14A.25 of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. Mr. Dai and his associates, including Ms. Zhang, are required to abstain from voting on the resolution(s) approving the Acquisition at the EGM. Voting at the EGM will be conducted by poll.

With respect to the Framework Lease Agreement, as the Vendor is a connected person of the Company under the Listing Rules as illustrated above, the entering into of the Framework Lease Agreement between the Vendor and the Target Company (which will form part of the Enlarged Group upon Completion) constitutes a continuing connected transaction of the Enlarged Group under Rule 14A.31 of the Listing Rules. As certain applicable percentage ratios of the Framework Lease Agreement exceed 5% and the aggregate annual rental under the Framework Lease Agreement is more than HK\$10,000,000, the Framework Lease Agreement and the transactions contemplated under the Framework Lease Agreement constitute a non-exempt continuing connected transaction of the Company and are subject to the reporting, announcement, circular and the Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, neither the Vendor, the Target Company, Ms. Zhang nor any of their associates holds any Shares as at the date of this announcement.

With respect to the Trademark Licensing Agreement, as Harbin Hada is ultimately held by the Vendor, which is in turn held as to 67.86% by Ms. Zhang, a non-executive Director and the

spouse of Mr. Dai, accordingly, Harbin Hada is a connected person of the Company under the Listing Rules and the entering into of the Trademark Licensing Agreement between Harbin Hada and Harbin Dili, one of the New PRC Operating Companies (which will form part of the Enlarged Group upon Completion) constitutes a continuing connected transaction of the Enlarged Group under Rule 14A.31 of the Listing Rules.

However, as the licensor will grant to the licensee the right to use certain trademarks registered in the name of the licensor in the PRC at nil consideration, as a result, all applicable percentage ratios for the Trademark Licensing Agreement are less than 0.1% and therefore the continuing connected transaction is fully exempt under Rule 14A.76 of the Listing Rules.

GENERAL INFORMATION

The Company understands that the original investment cost of the Target Business (including land and properties) is approximately HK\$7.4 billion.

Independent Board Committee

The Independent Board Committee comprising of all of the independent non-executive Directors of the Company has been established to advise the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and to make a recommendation to the Independent Shareholders on how to vote, taking into account the advice from the Independent Financial Adviser. None of the members of the Independent Board Committee is directly or indirectly interested or involved in the Acquisition or the transactions contemplated under the Framework Lease Agreement.

Independent Financial Adviser

The Board announces that with the approval of the Independent Board Committee, the Company has appointed Somerley Capital Limited as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and to advise the Shareholders on how to vote.

EGM AND DISPATCH OF CIRCULAR

The EGM will be convened as soon as practicable for the Independent Shareholders to consider, and, if thought fit, to approve the relevant resolutions in relation to the Acquisition Agreement, the Acquisition, the Framework Lease Agreement and the transactions contemplated under the Framework Lease Agreement, the specific mandate for the issuance

of the Consideration Shares and the increase in authorised share capital for the purpose of the issuance of the Consideration Shares.

A circular containing, amongst other information, (i) further information on the Acquisition and the Target Company; (ii) further details of the Framework Lease Agreement; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are fair and reasonable and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and advising the Independent Shareholders on how to vote, taking into account the recommendations from the Independent Financial Adviser; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are fair and reasonable and whether the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and advising the Independent Board Committee on how to vote; (v) a notice of the EGM, will be dispatched to the Shareholders on or before 30 June 2015.

Shareholders and investors should note that the Acquisition Agreement is subject to various conditions as stated in the section headed “The Acquisition Agreement – Conditions precedent” above and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

Acquisition	the acquisition of the entire issued share capital of the Target Company
Acquisition Agreement	the conditional sale and purchase agreement dated 9 June 2015 entered into between the Company and the Vendor in respect of the Acquisition
associate(s)	has the meaning ascribed to it under the Listing Rules
Board	the board of Directors
Business Contracts	the existing business contracts entered into by the PRC Vendors in relation to the Target Business, including but not limited to (i) tenancy agreements with the traders; (ii) leasing agreements with the existing tenant of the Markets relating to the use of warehouse and logistics park facilities; and (iii) tenancy agreements with independent landlords for the use of land and property of the market
Business Day	a day (other than a Saturday or a Sunday) on which banks generally are open for business in Hong Kong
BVI	the British Virgin Islands
BVI HoldCo 1	Jade Tone Limited (琦通有限公司), a limited liability company incorporated in the BVI
BVI HoldCo 2	Chaoyi Limited (超毅有限公司), a limited liability company incorporated in the BVI
BVI HoldCo 3	Feng Pei Limited (豐沛有限公司), a limited liability company incorporated in the BVI
Company	Renhe Commercial Holdings Company Limited (Stock Code: 1387), a company incorporated in the Cayman Islands with limited liability, the shares of which is listed in the Stock Exchange
Completion	the completion of the Acquisition
Completion Date	the date of Completion
connected person(s)	has the meaning ascribed to it under the Listing Rules

Consideration	the consideration of HK\$6.5 billion for the Acquisition under the Acquisition Agreement
Consideration Shares	an aggregated of 12,243,902,439 new Shares to be issued for the purpose of satisfying part of the Consideration pursuant to the Acquisition Agreement
Director(s)	the director(s) of the Company
EGM	the extraordinary general meeting of the Company to be convened on or about 16 July 2015 at which, among others, the Acquisition together with the terms of the Acquisition Agreement, the Framework Lease Agreement and the transactions contemplated thereunder will be considered, and if thought fit, approved by the Independent Shareholders
Enlarged Group	the Group as enlarged by, or taking into account the impact of, the interest in the Target Group subsequent to the Acquisition
Framework Lease Agreement	the framework lease agreement entered into between the Vendor (as lessor) and the Target Company (as lessee), pursuant to which the Target Company will procure the New PRC Operating Companies to enter into the Leasing Agreements with the relevant PRC Vendors in respect of the leasing of certain properties (including land and buildings) to facilitate the on-going operations of the Target Business following Completion
GFA	gross floor area
Group	the Company and its subsidiaries from time to time
Harbin Dili	哈爾濱地利農副產品有限公司 (Harbin Dili Agricultural By-Products Company Limited**), a company incorporated in the PRC and one of the New PRC Operating Companies
Harbin Hada	哈爾濱哈達農副產品股份有限公司 (Harbin Hada Agricultural and Sideline Products Joint Stock Company Limited**), a company incorporated in the PRC, and one of the PRC Vendors
HK HoldCo 1	Sure Cheer Limited (保至有限公司), a company incorporated in Hong Kong
HK HoldCo 2	Luck Champion Limited (吉榮有限公司), a company incorporated in Hong Kong

HK HoldCo 3	Fine Winner Limited (耀凱有限公司), a company incorporated in Hong Kong
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Independent Board Committee	independent board committee established by the Company consisting of all the independent non-executive Directors to advise the Independent Shareholders as to whether the terms and conditions of the Acquisition Agreement and the Framework Lease Agreement are fair and reasonable and on normal commercial terms and the Acquisition and the transactions contemplated under the Framework Lease Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote in the EGM, taking into account the recommendations of the Independent Financial Adviser
Independent Financial Adviser	Somerley Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the Framework Lease Agreement and the transactions contemplated thereunder
Independent Shareholder(s)	Shareholders other than Super Brilliant Investments Limited and Mr. Dai and its associates and any person who is involved in, or interested in, the Acquisition Agreement or the Framework Lease Agreement, who are entitled to attend and vote at the relevant shareholders' meeting of the Company under the applicable laws and regulations and the articles of association of the Company
Independent Third Party(ies)	(to the best of the Directors' knowledge, information and belief having made all reasonable enquiry) third parties independent of the Company and its connected person within the meanings of the Listing Rules
Leasing Agreements	agreement(s) to be entered into between the New PRC Operating Companies and the PRC Vendors pursuant to

the terms of the Framework Lease Agreement in respect of the leasing of certain properties (including land and buildings) to facilitate the on-going operations of the Target Business following Completion

Listing Rules

the Rules Governing the Listing of Securities on the Stock Exchange

Loan

a loan in the aggregate amount of approximately USD191 million (together with the interest accrued) due from Shouguang Dili to China Minsheng Banking Corporation Limited, Hong Kong Branch, and to be assumed by the Company pursuant to a deed of assignment or any other forms of documents to be entered into between Shouguang Dili (or China Minsheng Banking Corporation Limited, Hong Kong Branch) and the Company before or upon Completion

Market(s)

the market(s) for wholesaling and retailing of agricultural produce of the Target Business

Ms. Zhang

Ms. Zhang Xingmei, a non-executive Director of the Company and spouse of Mr. Dai. As at the date of this announcement, Ms. Zhang, through a series of investment companies, holds as to 67.86% of Shouguang Dili

Mr. Dai

Mr. Dai Yongge, the chairman, executive Director and controlling shareholder (as defined in the Listing Rules) of the Company. As at the date of this announcement, Mr. Dai holds approximately 51.39% in the total issued share capital of the Company

New PRC Operating Company(ies)

any or all of the seven New PRC Operating Companies established as indirect wholly-owned subsidiary(ies) of the Target Company, being 壽光地利農產品物流園有限公司 (Shouguang Dili Agricultural Product Logistics Park Company Limited**); 瀋陽壽光地利農副產品有限公司 (Shenyang Shouguang Dili Agricultural By-Products Company Limited**); 貴陽聚正潤農產品市場管理有限公司 (Guiyang Juzhengrun Agricultural Products Market Management Company Limited**); 齊齊哈爾地利農產品市場管理有限公司 (Qiqihar Dili Agricultural Products Market Management Company Limited**); 哈爾濱地利農副產品有限公司 (Harbin Dili Agricultural By-Products Company Limited**); 牡丹江地利農副產品有限公司 (Mudanjiang Dili Agricultural By-Products Company Limited**); and 哈

爾濱達利凱農副產品有限公司 (Harbin Dalikai Agricultural By-Products Company Limited**)

PRC

the People's Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

PRC Vendor(s)

any or all of 壽光農產品物流園有限公司 (Shouguang Agri-Products Logistics Park Company Limited**); 貴陽地利農產品物流園有限公司 (Guiyang Dili Agri-Products Logistics Park Company Limited**); 哈爾濱哈達農副產品股份有限公司 (Harbin Hada Agricultural and Sideline Products Joint Stock Company Limited**); 哈爾濱友誼倉儲有限責任公司 (Harbin Youyi Warehouse Company Limited**); 齊齊哈爾哈達農副產品有限責任公司 (Qiqihar Hada Agricultural and Sideline Products Company Limited**); 牡丹江牡達農副產品有限公司 (Mudanjiang Muda Agricultural and Sideline Products Company Limited**); 瀋陽地利農副產品有限公司 (Shenyang Dili Agricultural and Sideline Products Company Limited**); 瀋陽金東貿置業有限公司 (Shenyang Jindongmao Property Company Limited**) and 遼寧銀達利置業投資有限公司 (Liaoning Yindali Property Investment Company Limited**), each of which is an existing operating subsidiary of the Vendor engaged in the operation of the Target Business

Relevant Trading Day

1 June 2015, being the day when the announcement made pursuant to Rule 13.10 of the Listing Rules was published by the Company

Reorganization

the reorganization currently undertaken by the Target Company pursuant to which the Vendor shall procure the New PRC Operating Companies shall before Completion (i) assume or take up all the existing Business Contracts; (ii) enter into employment agreements with the senior management who were previously employed by the PRC Vendors; and (iii) enter into the Leasing Agreements with the relevant PRC Vendors pursuant to the terms of the Framework Lease Agreement, further detail of which is stated in the section headed "Information of the Shouguang Dili, the PRC Vendors and the Target Business – Reorganization"

Renminbi or RMB

Renminbi, the lawful currency of the PRC

Sale Shares	two (2) ordinary shares of the Target Company representing the entire issued share capital of the Target Company legally owned by the Vendor
Shares	ordinary share(s) of HK\$0.01 each in the share capital of the Company
Shareholders	holders of the Shares
Shouguang Dili	Shouguang Dili Agri-Products Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the holding company of the Vendor, which in turn owns the entire share capital of the PRC Vendors
sq.m.	square metres
Stock Exchange	The Stock Exchange of Hong Kong Limited
Target Business	the operation of the eight Markets in six cities in the PRC (namely Harbin, Qiqihar, Shenyang, Guiyang, Mudanjiang and Shouguang) currently operated by the PRC Vendors
Target Company	Yield Smart Limited (利駿有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement
Target Group	the Target Company and its subsidiaries from time to time
Trademark Licensing Agreement	the trademark licensing agreement to be entered into between Harbin Hada (as licensor) and Harbin Dili (as licensee), pursuant to which the licensor will grant to the licensee the right to use certain trademarks registered in the name of the licensor in the PRC following Completion for a term of 20 years at nil consideration
USD	the United States of America Dollars, a lawful currency of the United States of America
Vendor	New Amuse Limited (新喜有限公司), a company incorporated in the BVI and is wholly-owned by Shouguang Dili
%	per cent.

By Order of the Board
Renhe Commercial Holdings Company Limited
Dai Yongge
Chairman

Hong Kong, 9 June 2015

As at the date of this announcement, the executive Directors are Mr. Dai Yongge, Mr. Wang Hongfang, Mr. Zhou Jun, Mr. Dai Bin and Mr. Hu Yuzhou; the non-executive Directors are Mrs. Hawken Xiu Li, Ms. Jiang Mei, Ms. Zhang Xingmei, Mr. Zhang Dabin and Ms. Wang Chunrong; and the independent non-executive Directors are Mr. Wang Shengli, Mr. Wang Yifu, Mr. Fan Ren-Da, Anthony, Mr. Leung Chung Ki and Mr. Tang Hon Man.

** For identification purposes only*

*** English names are direct translation of the Chinese name and for reference only*