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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)

CLARIFICATION ANNOUNCEMENT

This announcement is published on a voluntary basis by the board of directors (the “**Board**”) of Renhe Commercial Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Board has noted some press articles which appeared in various Hong Kong newspapers and media on 9 December 2011. The Board would like to clarify that there were receivables with total amount of around RMB 2 billion due as of 30 November 2011. The receivable consisted of normal current account and trade receivables and also an outstanding consideration to be received from the buyer in relation to the sale by the Group of a shopping mall in Chengdu, Sichuan Province, the People’s Republic of China (the “**Chengdu Project**”). With respect to the Chengdu Project, the Group confirms that 30% of the consideration has been received. The balance of the consideration in the amount of approximately HKD 1 billion, which amounts to 70% of the total consideration, was due to be settled by 30 November 2011. The Company is in the course of negotiating with the buyer of the Chengdu Project and the Company expects that the balance of the consideration will be settled in the next few months. In any event, the Company has secured a share charge over all the issued capital of the holding companies of the Chengdu Project and also a personal guarantee from the buyer. Accordingly, the Company does not see it as a significant commercial risk in relation to its normal operation or the sale of the Chengdu Project.

The Company also confirms that neither Mr. Cheung Chung Kiu nor C C Land Holdings Limited (stock code: 1224) has ever involved in the acquisition or sale of the Chengdu Project or other projects.

The Board consider that the overall operations of the Group as a whole remain sound and intact, and the financial position of the Group remains solid.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of the above statements.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9 December 2011

As at the date of this announcement, the Board consists of Mr. Dai Yongge, Mr. Zhang Dabin, Mr. Wang Hongfang, Ms. Wang Chunrong, Mr. Wang Luding and Mr. Lin Zijing as executive directors, Mrs. Hawken Xiu Li, Ms. Jiang Mei, Ms. Zhang Xingmei, Mr. Ho Gilbert Chi Hang and Mr. Patrick Sun as non-executive directors and Mr. Fan Ren-Da, Anthony, Mr. Wang Shengli and Mr. Wang Yifu as independent non-executive directors.

** For identification purposes only*