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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 AND RESUMPTION OF TRADING**

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

Reference is made to the announcement of the Company dated 9 June 2015 regarding halt in trading of all the securities of the Company.

The Board noted that there were press articles published in various media (including “cfi.cn” and “sina.com.hk”) on 9 June 2015 (the “**Articles**”) alleging, among others, with respect to a project named “Harbin First Tunnel - Hong Kong City” (or commonly known as “Harbin Phase 4”) (哈爾濱第一大道 - “香港城”)(the “**Project**”) operated by the Group in Harbin, Heilongjiang Province, the People’s Republic of China (the “**PRC**”) that,

- (i) the Company entered into lease back agreements with a number of owners of retail space (the “**Owners**”), pursuant to which, the Owners would lease the retail space back to the Company at a fixed yield rate of 8% for a period of five years. By the end of 2014, however, when the lease back period of five years expired, the Company adjusted the yield rate to 1% to 3%;
- (ii) the Owners were not given the floor plan of the shopping mall or layout plans of the retail space when purchased, making the Owners being unable to identify or locate the retail space purchased and leaving room for doubt that the Company might have sold the same retail space to more than one buyer at one time; and
- (iii) other than the official printed receipts generally issued by the local taxation authority of Heilongjiang Province, the Owners were provided with handwritten receipts as opposed to an official receipts issued by the relevant subsidiary of the Company. This casted doubt on the Company trying to evade payment of tax in so doing,

(collectively the “**Allegations**”).

With respect to the Allegations, the Board would like to clarify that:

1. With respect to the Project, neither the Company nor its subsidiary had ever entered into any lease back agreements with the Owners giving a guaranteed fixed yield rate of 8% for a period of five years.
2. The Company confirmed that floor plan of the relevant section of the shopping mall where the respective retail space is located has been shown to the Owners despite it has been advised that it is not a legal requirement to provide the Owners with the floor plan of the entire shopping mall. Furthermore, details of such retail space (including the location, shop numbers and gross floor area) are specified in the respective Operation Rights Transfer Agreement. The Company reiterated that the relevant sale of the retail space was conducted in strict compliance with the relevant laws and regulations of the PRC and it has not sold the same retail space to more than one Owner as all the relevant sale transactions have properly been documented.
3. The Company provided the relevant Owners with official receipts issued by the local taxation authority of Heilongjiang Province for all the sale transactions of retail space entered into by the Company.
4. The Board therefore categorically denied each of the Allegations.

The Board acknowledges that there are certain disputes relating to the retail space in the Project. However, the Board considers it represents a very small percentage of the total leasable gross floor area of the Company as at the date of this announcement, and therefore will not have any material adverse impact on the business operation and financial position of the Group.

## **RESUMPTION OF TRADING**

At the request of the Company, trading of all securities of the Company was halted with effect from 9:43 a.m. on 9 June 2015 pending the release of this announcement. Application has been made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading of securities of the Company with effect from 9:00 a.m. on 10 June 2015.

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

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*