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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)

INSIDE INFORMATION SUBMISSION OF BINDING OFFER FOR ACQUISITION OF A SKINCARE AND COSMETICS COMPANY

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

The board of directors (the “**Board**”) of Renhe Commercial Holdings Company Limited (the “**Company**”) wishes to inform the shareholders and potential investors of the Company that on 5 June 2017 (Paris evening time) the Company has submitted a binding offer in a bid process for the acquisition of a skincare and cosmetics retailer (the “**Bid**”). The Bid, which has been approved by the Board, will remain binding and valid for acceptance by the seller for 20 business days after submission.

Should the Company be selected as the preferred bidder by the seller, the parties will enter into exclusive negotiations to finalize the definitive agreement(s).

The transactions contemplated under the Bid (the “**Proposed Transaction**”), if materializes, will constitute a very substantial acquisition of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company proposes to fund the Proposed Transaction by a combination of internal cash reserves and debt financing.

On 3 June 2017, each of Mr. Dai Yongge, an executive director and a controlling shareholder (as defined in the Listing Rules) of the Company directly and indirectly holding 37.08% of the issued share capital of the Company, and Ms. Zhang Xingmei, a non-executive director of the Company and the spouse of Mr. Dai Yongge indirectly controlling the voting rights of 27.85% of the issued share capital of the Company, has executed a

* *For identification purposes only*

voting undertaking in favour of the Company and the seller, under which each of Mr. Dai Yongge and Ms. Zhang Xingmei has given an irrevocable undertaking that he/she will and will procure his/her controlled companies to exercise all their voting rights in the Company to vote in favour of the relevant resolution(s) to be proposed at the extraordinary general meeting of the Company to be convened for approving the Proposed Transaction.

Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules to update its shareholders and investors of the progress of the Bid.

The Proposed Transaction is subject to a bid process the outcome of which is uncertain. The binding offer of the Company for the target is subject to acceptance by the seller and the terms of the Proposed Transaction are yet to be agreed between the parties and therefore, the Proposed Transaction may or may not eventually materialize. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
Renhe Commercial Holdings Company Limited
Dai Yongge
Chairman

Hong Kong, 6 June 2017

As at the date of this announcement, the Board comprises Mr. Dai Yongge, Mr. Wang Hongfang and Mr. Dai Bin as executive directors, Mrs. Hawken Xiu Li, Ms. Jiang Mei, Ms. Zhang Xingmei, Mr. Zhang Dabin and Ms. Wang Chunrong as non-executive directors and Mr. Fan Ren-Da, Anthony, Mr. Wang Shengli, Mr. Wang Yifu, Mr. Leung Chung Ki and Mr. Tang Hon Man as independent non-executive directors.