
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers. Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

If you have sold or transferred all your shares in Renhe Commercial Holdings Company Limited, you should at once hand this Prospectus and, if any, the accompanying PAL and EAF to the purchaser(s) or transferee(s) or bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Rights Issue Documents, together with documents specified in the paragraph headed "16. Documents to be delivered to the Registrar of Companies", have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the documents referred to above.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS operated by Hong Kong Securities Clearing Company Limited ("HKSCC") and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders with registered addresses, and Beneficial Owners (as defined herein) who are resident, outside Hong Kong are referred to the important information set out in the sections headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" to this Prospectus.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC Hong Kong Securities Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



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)

RIGHTS ISSUE OF RIGHTS SHARES AT A SUBSCRIPTION PRICE OF HK\$0.32 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



Haitong International Securities Company Limited

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on 30 December 2014. The procedures for acceptance and payment or transfer of the Rights Shares are set out in the section headed "Procedures for acceptance and payment or transfer" on pages 24 to 31 of this Prospectus.

It should be noted that the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 13 to 15 of this Prospectus.

If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach)

It should also be noted that the Shares have been dealt in on an ex-rights basis from 3 December 2014 and that dealings in the nil-paid Rights Shares will take place from 15 December 2014 to 22 December 2014 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. If prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" under the section headed "Letter from the Board" of this Prospectus is not fulfilled, the Rights Issue will not proceed.

Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled and any person dealing in the nil-paid Rights Shares from 15 December 2014 to 22 December 2014 (being the first and last days of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company, the nil-paid Rights Shares and/or the Shares during this period who is in any doubt about his/her/its position is recommended to consult his own professional advisers.

11 December 2014

NOTICE

The Rights Issue is conditional upon:

- (1) on or before the Registration Date, (i) the receipt of consent of the Holders of at least a majority of the aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes not owned by the Company and any of its affiliates, respectively in respect of the 2015 Notes Proposed Amendments and Waivers and the 2016 Notes Proposed Amendments and Waivers; and (ii) unless otherwise waived by the Company, at least 75% of the total aggregate principal amount of the outstanding 2015 Notes and 2016 Notes are tendered under the Tender Offers and not validly withdrawn; and**
- (2) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms.**

As at the date of this Prospectus, condition (1)(i) above has been fulfilled and condition (1)(ii) has been waived by the Company. However, if condition (2) above is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS WITH REGISTERED ADDRESS IN, LOCATED OR RESIDED IN JURISDICTIONS OUTSIDE HONG KONG, UNLESS OFFER TO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlement to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will be filed or registered under the securities laws of any of the jurisdictions other than in (1) the PRC, in accordance with the CSRC Notice after the approval from the Stock Exchange for the listing of the Rights Shares (in nil-paid and fully-paid forms) has been obtained, and (2) Hong Kong, and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions other than Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company and the Underwriter). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, into or within any jurisdiction other than Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

NOTICE

Shareholders with registered addresses in, investors who are located or resided in, any of the jurisdictions other than Hong Kong or who hold Shares on behalf of persons with such addresses, and Beneficial Owners who are resident outside Hong Kong should refer to the paragraph headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus.

For the avoidance of doubt, the PRC Stock Connect Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of shareholding held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect. The PRC Stock Connect Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in the ChinaClear are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect but could not purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Stock Connect Investors.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

FORWARD LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, capitalised terms used shall have the following meanings:

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| “2015 Notes” | the 11.75% senior notes issued by the Company due 2015 |
| “2015 Notes Indenture” | the indenture dated as of May 18, 2010 (as supplemented by a supplemental indenture dated as of August 20, 2010) in relation to the 2015 Notes |
| “2015 Notes Proposed Amendments and Waivers” | certain proposed amendments and waivers in relation to the 2015 Notes Indenture |
| “2016 Notes” | the 13% senior notes issued by the Company due 2016 |
| “2016 Notes Indenture” | the indenture dated as of September 10, 2010 in relation to the 2016 Notes |
| “2016 Notes Proposed Amendments and Waivers” | certain proposed amendments and waivers in relation to the 2016 Notes Indenture |
| “Announcement” | the announcement of the Company dated 24 November 2014 in relation to, among other things, the Rights Issue |
| “Atlantis” | Atlantis Investment Management (Hong Kong) Limited (西京投資管理(香港)有限公司), an asset management firm licensed by the SFC and authorised to undertake Type 4 and Type 9 regulated activities, which, as of the Latest Practicable Date, has discretionary management of portfolios containing an aggregate 700,000,000 Shares on behalf of its clients, representing approximately 3.31% of the total issued Shares of the Company |
| “Beneficial Owner” | any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner |
| “Board” | the board of Directors |
| “Business Day” | any weekday (other than a Saturday, Sunday, any public holiday in Hong Kong or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which commercial banks generally are open for business in Hong Kong |

DEFINITIONS

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|---|---|
| “BVI” | the British Virgin Islands |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “CCASS Clearing Participant” | a person admitted by HKSCC to participate in CCASS as a direct clearing participant/broker participant or general clearing participant |
| “CCASS Custodian Participant” | a person admitted by HKSCC to participate in CCASS as a custodian participant |
| “CCASS Investor Participant” | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation |
| “CCASS Participant” | a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant |
| “ChinaClear” | China Securities Depository and Clearing Corporation Limited |
| “Companies (Winding Up and Miscellaneous Provisions) Ordinance” | Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) |
| “Company” | Renhe Commercial Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Stock Exchange (Stock Code: 1387) |
| “Consent(s)” | the consent of a Holder to the applicable Proposed Notes Amendments and Waiver |
| “Consent Date” | <p>The consent date for the Offers relating to the 2015 Notes is 5:00 p.m., New York City time, on 8 December 2014, unless extended by the Company</p> <p>The consent date for the Offers relating to the 2016 Notes is 5:00 p.m., New York City time, on 8 December 2014, unless extended by the Company</p> |

DEFINITIONS

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| “Consent Solicitations” | solicitations from the Company seeking Consents to (i) all of the Proposed Notes Amendments and Waiver to the 2015 Notes Indenture as a single proposal, and (ii) all of the Proposed Notes Amendments and Waiver to the 2016 Notes Indenture as a single proposal |
| “Controlling Shareholder” | has the same meaning ascribed to it under the Listing Rules |
| “CSRC” | the China Securities and Regulatory Commission |
| “CSRC Notice” | the notice of China Securities and Regulatory Commission “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Shanghai-Hong Kong Stock Connect” (Announcement 2014 No. 48) |
| “Director(s)” | the director(s) of the Company |
| “EAF(s)” | the excess application form(s) issued to the Qualifying Shareholders in respect of applications for excess Rights Shares |
| “Expiration Date” | <p>For the Offer relating to the 2015 Notes, 5:00 p.m., New York City time, on 30 December 2014, unless extended by the Company</p> <p>For the Offer relating to the 2016 Notes, 5:00 p.m., New York City time, on 30 December 2014, unless extended by the Company</p> |
| “Gloss Season” | Gloss Season Limited, a company incorporated in the BVI and holds 81,600,000 Shares, representing approximately 0.39% of the total issued Shares of the Company, as at the Latest Practicable Date |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Holder” | the holder of the Notes |

DEFINITIONS

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|-------------------------------|---|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Indentures” | the 2015 Notes Indentures and the 2016 Notes Indentures |
| “Intermediary” | in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant |
| “Irrevocable Undertakings” | the irrevocable undertakings dated 21 November 2014 and given by the Undertaking Shareholders to the Company and the Underwriter as described in the paragraph headed “Irrevocable Undertakings of the Undertaking Shareholders” under the section “Letter from the Board” in this Prospectus |
| “Last Trading Day” | 17 November 2014, being the half trading day of the Shares on the Stock Exchange immediately prior to trading halt of the Company effective from 1:00 p.m. on 17 November 2014 and prior to the publication of the Announcement |
| “Latest Acceptance Date” | 30 December 2014, being the last day for acceptance and payment of the Rights Shares, or any such other date as the Company and the Underwriter may agree in writing in relation to which the agreement or consent of the Underwriter shall not be unreasonably withheld |
| “Latest Practicable Date” | 5 December 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus |
| “latest time for acceptance” | 4:00 p.m. on the Latest Acceptance Date |
| “Latest Time for Termination” | 10:00 a.m. on the second Business Day following the latest time for acceptance or such later date as the Company and the Underwriter may agree in writing |
| “Listing Committee” | has the same meaning ascribed to it under the Listing Rules |

DEFINITIONS

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 31 January 2015 or such later date as the Underwriter may agree |
| “Mr. Dai” | Mr. Dai Yongge, the Chairman, executive Director and Controlling Shareholder of the Company |
| “Non-Qualifying Shareholder(s)” | the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong or the BVI and whom the Directors, after making relevant enquiries, consider that it is necessary or expedient not to offer the Rights Shares on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction |
| “Notes” | the 2015 Notes and the 2016 Notes |
| “Offer to Purchase and Consent Solicitation Statement” | the Company’s Offer to Purchase and Consent Solicitation Statement dated 24 November 2014 |
| “Offers” | the Tender Offers together with the Consent Solicitations |
| “Overseas Shareholder” | the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong |
| “PAL(s)” | the provisional allotment letter(s) issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue |
| “Posting Date” | 11 December 2014 or such other date as the Company and the Underwriter may agree for the despatch of the Rights Issue Documents in relation to which the agreement or consent of the Underwriter shall not be unreasonably withheld |

DEFINITIONS

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| “PRC” | the People’s Republic of China which, for the purposes of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “PRC Stock Connect Investor(s)” | the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect who hold Shares through China Clear as nominee |
| “Proposed Notes Amendments and Waivers” | Certain proposed amendments and waivers to the Indentures governing the 2015 Notes and the 2016 Notes, respectively |
| “Prospectus” | this prospectus dated 11 December 2014 being issued in connection with the Rights Issue |
| “Qualifying Shareholder(s)” | the Shareholder(s) whose name(s) appeared on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders |
| “Record Date” | 9 December 2014, being the record date to determine entitlements to the Rights Issue (or such other date as the Underwriter may agree in writing with the Company) |
| “Registered Owner” | in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested |
| “Registration Date” | means the day on which the Rights Issue Documents are delivered to and registered with the Stock Exchange and the Registrar of Companies in Hong Kong, which shall be 10 December 2014 (or such later date which shall in any event be no later than the Long Stop Date as may be agreed between the Company and the Underwriter and in relation to which the agreement or consent of the Underwriter shall not be unreasonably withheld) |
| “Rights Issue” | the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of one Rights Share for every two existing Shares held on the Record Date payable in full on acceptance |
| “Rights Issue Documents” | this Prospectus, the PAL(s) and the EAF(s) |

DEFINITIONS

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| “Rights Share(s)” | the new Share(s) to be allotted and issued in respect of the Rights Issue |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGX-ST” | Singapore Exchange Securities Trading Limited |
| “Share(s)” | ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company |
| “Share Option(s)” | the option(s) which were validly vested and exercisable by the holders entitling them to subscribe for Share(s) granted under the Share Option Scheme |
| “Share Option Scheme” | the share option scheme adopted by the Company on 25 August 2008 whereby the Directors are authorised, at their discretion, to invite employees of the Group (including Directors and directors of the subsidiary of the Group) to take up options at HK\$1 consideration to subscribe for Shares, with each option giving the holder the right to subscribe for one Share |
| “Share Registrar” | the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “sq.m” | square meters |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$0.32 per Rights Share |
| “subsidiary” | has the same meaning ascribed to it under the Listing Rules |

DEFINITIONS

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| “Super Brilliant” | Super Brilliant Investments Limited, a company incorporated in the BVI and holds 10,255,825,388 Shares, representing approximately 48.50% of the total issued shares of the Company as at the date of this Prospectus and a Controlling Shareholder of the Company |
| “taken up/take up/taking up” | the taking up of those Rights Shares and/or Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof |
| “Tender Offers” | the offers to purchase for cash (i) any and all of the Company’s outstanding 2015 Notes, and (ii) any and all of the Company’s outstanding 2016 Notes |
| “Tender Withdraw Deadline” | <p>The tender withdraw deadline for the Offer relating to the 2015 Notes is 5:00 p.m., New York City time, on 8 December 2014, unless extended by the Company</p> <p>The tender withdraw deadline for the Offer relating to the 2016 Notes is 5:00 p.m., New York City time, on 8 December 2014, unless extended by the Company</p> |
| “Undertaking Shareholders” | Super Brilliant, Gloss Season, Atlantis, Mr. Dai and Wealthy Aim |
| “Underwriter” | Haitong International Securities Company Limited (a licensed corporation under the SFO to conduct Type 1, Type 3 and Type 4 regulated activities under the SFO) |
| “Underwriting Agreement” | the underwriting agreement dated 24 November 2014 and entered into between the Company and the Underwriter in relation to the Rights Issue |
| “Underwritten Shares” | the Rights Shares, other than the Rights Shares to be provisionally allotted to the Undertaking Shareholders, underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement |
| “United States” or “US” | the United States of America (including its territories and dependencies, any state in the US and the District of Columbia) |

DEFINITIONS

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| “US\$” | United States dollars, the lawful currency of the United States |
| “Wealthy Aim” | Wealthy Aim Holdings Limited, a company incorporated in the BVI and holds 427,174,700 Shares, representing approximately 2.02% of the total issued Shares of the Company, as at the Latest Practicable Date. In connection with the Company’s listing in 2008, a management incentive scheme has been set up in order to reward and motivate employees and other individuals of the Group (the Pre-IPO Option Scheme). The Pre-IPO Option Scheme has been implemented through Wealthy Aim, which granted rights to directors of the Company, employees and other individuals who have made contributions of the Group (the Selected Grantees) to acquire from it, certain existing shares of the Company at a pre-determined exercise price. All of such existing shares in the Company are subject to the rights under the Pre-IPO Option Scheme and they remain to be transferred to the Selected Grantees upon exercise of such rights |
| “%” | per cent or percentage |

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. Dates or deadlines specified below and in other parts of this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. The Company will notify Shareholders by way of announcement(s) of a change to the expected timetable as and when appropriate.

First day for dealings in nil-paid Rights SharesMonday, 15 December 2014

Latest time for splitting of nil-paid Rights Shares4:30 p.m. on Wednesday,
17 December 2014

Last day for dealings in nil-paid Rights SharesMonday, 22 December 2014

Latest time for acceptance of, and payment for,
the Rights Shares and application and payment
for excess Rights Shares.4:00 p.m. on Tuesday,
30 December 2014

Rights Issue expected to become unconditional.10:00 a.m. on Friday,
2 January 2015

Announcement of results of the Rights Issue to
be published on the respective websites of the
Stock Exchange and the Company on or beforeWednesday, 7 January 2015

Share certificates for fully-paid Rights Shares
expected to be despatched on or aroundThursday, 8 January 2015

Refund cheques in respect of wholly or partially
unsuccessful excess applications expected to be
posted on or aroundThursday, 8 January 2015

Dealings in fully-paid Rights Shares commences9:00 a.m. on Friday,
9 January 2015

Designated broker start to stand in market
to provide matching services for sale and
purchase of odd lots Shares.9:00 a.m. on Friday,
9 January 2015

Designated broker ceases to stand in the market
to provide matching services for the sale
and purchase of odd lots of Shares4:00 p.m. Thursday,
29 January 2015

EXPECTED TIMETABLE

Notes:

1. All references to times and dates in this Prospectus refer to Hong Kong local times and dates.
2. Shareholders should note that the dates or deadlines specified in the above timetable and in other parts of this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. In the event that any special circumstances arise, the Board may extend or adjust the timetable if it considers appropriate, and a further announcement will be made.
3. **Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares:**

The latest time of acceptance and payment for rights shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on latest time of acceptance. Instead the latest time of acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day;
 - in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on latest time of acceptance date. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..
4. If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the “Expected Timetable” section above may be affected. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

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|---|---|--|
| Basis of the Rights Issue | : | one Rights Share for every two existing Shares held on the Record Date |
| Number of Shares in issue as at the Latest Practicable Date | : | 21,148,132,000 Shares |
| Number of Rights Shares | : | 10,574,066,000 Rights Shares |
| Number of Underwritten Shares | : | All Underwritten Shares (excluding the Rights Shares that the Undertaking Shareholders have irrevocably undertaken to take up by way of their respective rights entitlement under the Rights Issue), being approximately 4,790,465,956 Rights Shares |
| Enlarged issued share capital upon completion of Rights Issue | : | 31,722,198,000 Shares |
| Subscription Price | : | HK\$0.32 per Rights Share |
| Amount to be raised | : | Approximately HK\$3,384 million before expenses |
| Underwriter | : | Haitong International Securities Company Limited |

As at the Latest Practicable Date, the Company had no outstanding options, convertible securities or warrants or other similar rights in issue which confer any right to convert into or subscribe for Shares.

The 10,574,066,000 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If at any time prior to the Latest Time for Termination:

- (a) there comes to the notice of the Underwriter:
 - (i) any matter or any event showing any of the warranties and undertakings contained in the Underwriting Agreement was, when given, untrue or misleading or as having been breached in any material respect, or there has been a material breach by the Company of any of its obligations or undertakings under the Underwriting Agreement or the Underwriter has reasonable cause to believe that any such breach has occurred or that any matter has arisen which might reasonably be expected to give rise to such a breach or any claims, actions, litigations, proceedings or investigations (whether by governmental or regulatory bodies or otherwise), demands, judgements or awards;
 - (ii) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at that time, constitute a material omission therefrom;
 - (iii) that the Company is required to produce a supplementary prospectus (the Underwriter having first consulted with the Company where practicable) in circumstances where the matter to be disclosed, in the reasonable opinion of the Underwriter, prejudicially and materially affects or may prejudicially and materially affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue; or
 - (iv) there is any adverse change or prospective adverse change in the business, condition, results of operations, prospects, management, shareholders' equity or in the financial or trading position of the Group as a whole which, in the reasonable opinion of the Underwriter, is or may be so material and adverse so as to make it impracticable to proceed with the Rights Issue;

then in any such case the Underwriter may, by notice in writing to the Company, terminate this Agreement; or

- (b) there shall develop, occur, happen, come into effect, exist or come to the knowledge of the Underwriter any event, series of events or circumstances concerning or relating to or which may give rise to (whether or not foreseeable):
 - (i) any change in, any event or series of events resulting in or likely to result in any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, taxation, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in the PRC, Hong Kong, the United States, the European Union (or any member thereof); or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
- (iii) the declaration of a banking moratorium by the PRC, Hong Kong, the United States, or the European Union (or any member thereof) or authorities; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ National Market, or any major disruption of any securities settlement or clearing services in Hong Kong or the United States; or
- (v) any new law or regulation or any change in existing laws or regulations in or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
- (vi) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is for no more than three trading days),

the effect of which events and circumstances referred to above, individually or in the aggregate (in the reasonable opinion of the Underwriter after consultation with the Company): (1) is or will or is likely to have a materially adverse effect on the business or financial condition of the Group as a whole or the Rights Issue; or (2) has or will have or is likely to have a material adverse effect on the Rights Issue or the level or prospects of Rights Shares not taken up; or (3) makes or may make it inadvisable or inexpedient to proceed with the Rights Issue,

then in such case the Underwriter may by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

Upon such notice being given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall cease and terminate immediately and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Underwriter exercises such right, the Rights Issue will not proceed and a further announcement will be made.

TERMINATION OF THE UNDERWRITING AGREEMENT

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from 3 December 2014. The Rights Shares in their nil-paid form will be dealt in from 15 December 2014 to 22 December 2014 (both days inclusive).

The Rights Issue is conditional upon:

- (1) on or before the Registration Date, (i) the receipt of consent of the Holders of at least a majority of the aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes not owned by the Company and any of its affiliates, respectively in respect of the 2015 Notes Proposed Amendments and Waivers and the 2016 Notes Proposed Amendments and Waivers; and (ii) unless otherwise waived by the Company, at least 75% of the total aggregate principal amount of the outstanding 2015 Notes and 2016 Notes are tendered under the Tender Offers and not validly withdrawn; and
- (2) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms.

As at the date of this Prospectus, condition (1)(i) above has been fulfilled and condition (1)(ii) has been waived by the Company. However, if condition (2) above is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Any dealings in the Shares up to the time at which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), which is currently expected to be 10:00 a.m., 2 January 2015, and any dealings in the Rights Shares in their nil-paid form between 15 December 2014 to 22 December 2014 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Rights Shares; and if they are in any doubt about their position, they are recommended to consult their professional advisers.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Dai Yongge (*Chairman*)
Mr. Wang Hongfang (*Chief Executive Officer*)
Mr. Dai Bin
Mr. Zhou Jun

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Mrs. Hawken Xiu Li
Ms. Jiang Mei
Ms. Wang Chunrong
Mr. Zhang Dabin
Ms. Zhang Xingmei

*Principal place of business
in Hong Kong:*

Suites 603-606
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Independent non-executive Directors:

Mr. Fan Ren-Da, Anthony
Mr. Leung Chung Ki
Mr. Tang Hon Man
Mr. Wang Shengli
Mr. Wang Yifu

11 December 2014

*To the Qualifying Shareholders,
and, for information only, certain Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES
AT A SUBSCRIPTION PRICE OF HK\$0.32 EACH ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

On 24 November 2014, the Board announced that the Company, among other things, proposed to raise approximately HK\$3,384 million, before expenses, by way of the Rights Issue of approximately 10,574,066,000 Right Shares at the Subscription Price of HK\$0.32 per Rights Share.

LETTER FROM THE BOARD

The estimated net proceeds of the Rights Issue will be approximately HK\$3,297 million. The Company intends to apply the net proceeds of the Rights Issue to finance the Offers, with the remaining net proceeds (if any) to be used for general working capital purposes. In the event that the Rights Issue is completed but the Offers do not proceed for any reason, the Company intends to apply all such net proceeds of the Rights Issue for general working capital purposes.

Pursuant to the terms of the Rights Issue, the Qualifying Shareholders will be provisionally allotted one Rights Share in nil-paid form for every two existing Shares held on the Record Date. Fractional entitlements will not be allotted but will be aggregated (and rounded down to the nearest whole number) and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. For the entitlements of the PRC Stock Connect Investors in participation of the Rights Issue, please refer to the paragraph headed “PRC Stock Connect Investors” of this Prospectus.

Save for those Rights Shares which the Undertaking Shareholders have irrevocably undertaken to take up, the Rights Shares are fully underwritten by the Underwriter, subject to the terms and conditions set out in the Underwriting Agreement. The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms.

The purpose of this Prospectus is to provide you with further information of the Rights Issue, including information on dealings in, and transfers and acceptances of, the Rights Shares, as well as financial information and other information of the Group.

RIGHTS ISSUE

Issue statistics

| | |
|---|---|
| Basis of the Rights Issue: | one Rights Share for every two existing Shares held by the Qualifying Shareholders on the Record Date |
| Number of existing Shares in issue as at the Latest Practicable Date: | 21,148,132,000 Shares |
| Subscription Price: | HK\$0.32 per Rights Share |
| Number of Rights Shares: | 10,574,066,000 Rights Shares |
| Underwriter: | Haitong International Securities Company Limited |
| Enlarged issue share capital upon completion of the Rights Issue: | 31,722,198,000 Shares |

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options, warrants or other similar rights in issue which confer any right to convert into or subscribe for Shares.

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's existing issued share capital as at the Record Date and approximately 33.3% of the Company's issued share capital as enlarged by the Rights Issue.

Subscription Price

The Subscription Price of HK\$0.32 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of his/her/its provisional allotment of the Rights Shares under the Rights Issue or, where a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 31.91% to the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 18.37% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.392;
- (c) a discount of approximately 9.48% to the average closing price of HK\$0.3535 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 23.81% to the theoretical ex-rights price of approximately HK\$0.42 based on the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 73.51% to the audited consolidated net asset value attributable to the equity Shareholders as at 31 December 2013 of approximately HK\$1.208 per Share.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares prior to and including the Last Trading Day. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share (in nil-paid form) for every two existing Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for on or before the latest time for acceptance.

Fractions of the Rights Shares

Fractional entitlements for the nil-paid Rights Shares will not be issued but will be aggregated (and rounded down to the nearest whole number) and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application under the EAF(s).

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Rights Shares. Holders of fully-paid Rights Shares will be entitled to receive any and all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, Shareholders must have lodged all Share transfer documents (together with the relevant certificate(s)) with the Share Registrar for registration by no later than 4:30 p.m. (Hong Kong Time) on 4 December 2014.

The Company has sent the Rights Issue Documents to the Qualifying Shareholders and this Prospectus is sent to the Non-Qualifying Shareholders (to the extent reasonably practicable and legally permitted) for information purposes only. No PAL or EAF will be sent to a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their *pro rata* entitlements in full will not suffer any dilution to their shareholding interests in the Company. **If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

LETTER FROM THE BOARD

Distribution of this Prospectus and other Rights Issue Documents

Distribution of the Rights Issue Documents into jurisdictions other than Hong Kong may be restricted by law. Persons receiving the Rights Issue Documents (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as agreed between the Company and the Underwriter, the Rights Issue Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdictions outside Hong Kong.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Rights Issue Documents will not be filed or registered under the applicable securities legislation of any jurisdiction other than (1) the PRC, in accordance with the CSRC Notice after the approval from the Stock Exchange for the listing of the Rights Shares (in nil-paid and fully-paid forms) has been obtained, and (2) Hong Kong.

Non-Qualifying Shareholders

As at the Latest Practicable Date, there were 3 Overseas Shareholders on the register of members of the Company, whose addresses were located in the BVI and the PRC. Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares to Shareholders situated in such overseas jurisdictions.

As at the Latest Practicable Date, the aggregate shareholding of Shareholders with registered addresses in the BVI represented approximately 53.50% of the issued share capital of the Company, while the aggregate shareholding of Shareholders with registered address in the PRC represented a very small percentage of less than 0.01% of the issued share capital of the Company. On the basis of the legal advice received and taking into account the relevant percentages of the Overseas Shareholders, the Directors consider that, save in respect of the Shareholders with the registered address in BVI, it is necessary or expedient and in the interests of the Company and Shareholders as a whole not to offer the Rights Shares (in both nil-paid and fully-paid forms) to such Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or any applicable requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be extended to such Non-Qualifying Shareholders.

LETTER FROM THE BOARD

In addition, no person receiving a PAL or an EAF in any territory or jurisdiction other than Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. Where permitted by the laws of the relevant overseas jurisdictions, the Company will send this Prospectus to the Non-Qualifying Shareholders for their information only.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or other Rights Issue Documents must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and other Rights Issue Documents or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, any jurisdiction outside Hong Kong, unless offer to such jurisdictions could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. If a PAL or an EAF or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this Prospectus and/or a PAL and/or an EAF in, into or from, any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Notwithstanding any other provision in the Rights Issue Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or a beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up his/her/its nil-paid rights and/or apply for excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Arrangements have been made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange but before the last date for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sales, less expenses, will be paid by the Company to the relevant Non-Qualifying Shareholders pro rata to their shareholdings in the

LETTER FROM THE BOARD

Company on the Record Date in Hong Kong dollars if any of such Non-Qualifying Shareholders are entitled to an individual amount of HK\$100 or more. The Company will retain individual amounts less than HK\$100 for its own benefit. Any Rights Shares in respect of unsold entitlements of Non-Qualifying Shareholders, together with any Rights Shares (if any) representing unsold aggregated fractional entitlements, Rights Shares in respect of nil-paid Rights Shares not taken up by the Qualifying Shareholders or otherwise not subscribed for by transferees of the nil-paid Rights Shares, will be made available for excess application on EAFs by Qualifying Shareholders or otherwise be underwritten by the Underwriter. It is expected that cheques for such proceeds of sale, if any, will be despatched to those entitled thereto by ordinary post at their own risk on or around date of refund cheque.

BVI Shareholders

The Directors have made the necessary enquires pursuant to Rule 13.36(2)(a) of the Listing Rules and have been advised that Rights Shares shall not be acquired for the account or benefit of any person who is a resident of, or who is domiciled in, the BVI, other than a business company incorporated in the BVI that is not a resident in the BVI, nor to a custodian, nominee or trustee of any such person. To the extent that those 2 Overseas Shareholders with registered addresses in the BVI are not resident of or domiciled in the BVI by way of conducting its operations outside of the BVI nor are they custodian, nominee or trustee of any person who is a resident of or who is domiciled in the BVI, those Overseas Shareholders with registered addresses in the BVI are entitled to participate in the Rights Issue and to be sent the Rights Issue Documents solely by reasons that they are existing Shareholders.

PRC Stock Connect Investors

According to the “CCASS Shareholding Search” available on the Stock Exchange’s website (www.hkexnews.hk), as at the Latest Practicable Date, ChinaClear holds 198,750,000 Shares, represent approximately 0.94% of the total issued Shares of the Company. ChinaClear is a CCASS participant with the HKSCC Nominees Limited.

The Directors have made the relevant enquiries and they were advised that the PRC Stock Connect Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of shareholding held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Stock Connect Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in the ChinaClear are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect but could not purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Stock Connect Investors.

LETTER FROM THE BOARD

The PRC Stock Connect Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Stock Connect Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

According to the PRC legal adviser of the Company, as the Rights Issue Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with CSRC Notice, the Rights Shares (in nil-paid and fully-paid forms) shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Stock Connect Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus), or it has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

As such, the Rights Issue Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to ChinaClear in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Rights Issue Documents may not be made publicly available in the PRC.

Save and except for the PRC Stock Connect Investors, based on the legal advice of the PRC legal adviser of the Company, other Shareholders in the PRC would not be entitled to participate in the Rights Issue.

It is the responsibility of anyone (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any such person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers.

LETTER FROM THE BOARD

The Company reserves the right to treat as invalid any acceptances of or applications for the nil-paid Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Furthermore, the Company reserves the right to treat as invalid any purported acceptance of the provisional allotment of Rights Shares comprised in a PAL and/or any application for excess Rights Shares under an EAF or to refuse to register any purported transfer of the rights represented thereby if it appears to the Company or its agents that acceptance of such provisional allotment of Rights Shares or transfer or the registration of such transfer may involve a breach of the laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or an EAF in respect of such matters.

Procedures for acceptance and payment or transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to the full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons, and investors who are located or resided in, with such addresses is drawn to the paragraph headed “Non-Qualifying Shareholders” in this “Letter from the Board”.

Each subscriber (including, without limitation, agents, nominees and trustees) of Rights Shares being offered and sold outside the US will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the US;
- he/she/it is not accepting an offer to acquire or take up the rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the US at the time the instruction to accept was given;

LETTER FROM THE BOARD

- he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the nil-paid Rights Shares or to subscribe for or accept Rights Shares was received from a person outside the United States, and
 - (b) the person giving such instruction has confirmed that it (i) has the authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the US; and
- he/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Company may treat as invalid any instruction which:

- appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions; or
- otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement; or
- purports to exclude the representation and/or warranty required by the paragraphs above.

LETTER FROM THE BOARD

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

A PAL is enclosed with this Prospectus for each Qualifying Shareholder which entitles him/she/it to subscribe for the number of Rights Shares shown in the PAL. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on 30 December 2014. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Renhe Commercial Holdings Company Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Share Registrar by 4:00 p.m. on 30 December 2014, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

Transfer and "splitting" of nil-paid Rights Shares

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on 17 December 2014 with the Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Share Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Share Registrar by no later than 4:00 p.m. on 30 December 2014.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No receipt will be given in respect of any application monies received.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

If any of the conditions of the Rights Issue (as set out in the paragraph headed "Conditions of the Rights Issue" in this "Letter from the Board") is not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred) without interest, by means of cheques crossed "Account Payee Only" to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk on or around 8 January 2015.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective nil-paid Rights Shares or "split" those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or "splitting" of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed "Expected Timetable" of this Prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

Application for excess Rights Shares

The Qualifying Shareholders (but not the PRC Stock Connect Investors) shall be entitled to apply, by way of excess application, for:

- (a) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares; and
- (c) any unsold aggregated fractions of the Rights Shares.

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

Application may be made only by the Qualifying Shareholders (but not the PRC Stock Connect Investors) and only by completing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Share Registrar by a time which is currently expected to be 4:00 p.m. on 30 December 2014 or such later time as may be agreed between the Company and the Underwriter.

LETTER FROM THE BOARD

All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Renhe Commercial Holdings Company Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis, according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro-rata basis, with reference only to the number of excess Rights Shares applied for. No reference will be made to Rights Shares comprising applications by PAL or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualifying Shareholders with odd lots of Rights Shares will be topped up to whole board lots pursuant to their applications for excess Rights Shares.

Investors whose Shares are held by nominee(s) (or which are held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) whose name appears on the register of members of the Company as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares. Accordingly, the aforesaid arrangement will not be extended to the beneficial owners individually. Beneficial owners who hold Shares through a nominee company are advised to consider whether they would like to arrange for registration of their Shares in their own names on or before the Record Date.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

No receipt will be given in respect of any application monies received.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Share Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or around 8 January 2015. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before 8 January 2015.

LETTER FROM THE BOARD

If any of the conditions of the Rights Issue (as set out in the paragraph headed “Conditions of the Rights Issue” in this “Letter from the Board”) is not fulfilled, the Rights Issue will not proceed and the monies received in respect of applications for excess Rights Shares will be returned without interest to the relevant Qualifying Shareholders and, in the case of joint applicants, to the registered address of the first-mentioned person by means of cheque(s) to be despatched by ordinary post at their own risk on or around 8 January 2015.

Important notice to Beneficial Owners

Beneficial Owners whose Shares are held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, such Beneficial Owners should note that the above arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a Registered Owner (or which are held in CCASS) are advised to consider whether they would like to arrange for the relevant Shares to be registered in their own names prior to the Record Date.

Investors whose Shares are held by nominee(s) or a Registered owner (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date, they must lodge all necessary documents with the Share Registrar for completion of the relevant registration by 4:30 p.m. on 4 December 2014 (the register of members of the Company will be closed from 5 December 2014 to 9 December 2014, both days inclusive).

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants *pro rata* to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Effect of bad weather on latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares

The latest time of acceptance and payment for rights shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on latest time of acceptance. Instead the latest time of acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on latest time of acceptance date. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares does not take place on 30 December 2014, the dates mentioned in the section headed “Expected Timetable” above may be affected. An announcement will be made by the Company in such event.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

Certificates for the Rights Shares and Refund Cheques

Subject to the fulfillment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post to those entitled thereto on or around 8 January 2015 at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or around 8 January 2015 to the applicants at their own risk.

LETTER FROM THE BOARD

Odd Lot Matching Services

In order to alleviate the difficulties arising from the existence of odd lots of Rights Shares arising from the Rights Issue, the Company has appointed Computershare Hong Kong Investor Services Limited to provide matching service for sale and purchase of odd lots of Rights Shares at the relevant market price per Rights Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holding of odd lots of the Rights Shares. Shareholders who wish to utilise the service should contact Computershare Hong Kong Investor Services Limited at (852) 2862 8555, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong during the period from Friday, 9 January 2015 to Thursday, 29 January 2015, both days inclusive.

Holders of odd lots of the Rights Shares should note that successful matching of the sale and purchase of odd lots of the Rights Shares is not guaranteed. If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

It is expected that dealings in the Rights Shares in nil-paid form will commence on 15 December 2014 and will end on 22 December 2014 (both days inclusive) and dealings in the Rights Shares in fully-paid form will commence on 9 January 2015.

Rights Shares will be eligible for admission into CCASS

Subject to (i) the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange; and (ii) compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon:

- (1) on or before the Registration Date, (i) the receipt of consent of the Holders of at least a majority of the aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes not owned by the Company and any of its affiliates, respectively in respect of the 2015 Notes Proposed Amendments and Waivers and the 2016 Notes Proposed Amendments and Waivers; and (ii) unless otherwise waived by the Company, at least 75% of the total aggregate principal amount of the outstanding 2015 Notes and 2016 Notes are tendered under the Tender Offers and not validly withdrawn; and
- (2) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms.

As at the date of this Prospectus, condition (1)(i) above has been fulfilled and condition (1)(ii) has been waived by the Company. However, if condition (2) above is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The conditions to the Underwriting Agreement are set out in the section headed “Conditions of the Underwriting Agreement” under the section “Letter from the Board” of this Prospectus. **Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed.**

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date: 24 November 2014

Underwriter: Haitong International Securities Company Limited

Number of Underwritten Shares: All Underwritten Shares (excluding the Rights Shares that the Undertaking Shareholders have irrevocably undertaken to the Company and the Underwriter to take up by way of their respective rights entitlement under the Rights Issue), being approximately 4,790,465,956 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date), subject to the terms and conditions of the Underwriting Agreement.

The Underwriter’s Commission: 2% of the aggregate Subscription Price of the Underwritten Shares.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission rate, to be on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled:

The obligations of the Underwriter under the Underwriting Agreement are conditional upon the following conditions being fulfilled:

- (a) on or before the Registration Date, (i) the receipt of consent of the Holders of at least a majority of the aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes not owned by the Company or any of its affiliates, respectively, in respect of the 2015 Notes Proposed Amendments and Waivers and the 2016 Notes Proposed Amendments and Waivers; and (ii) unless otherwise waived by Company, at least 75% of the total aggregate principal amount of the outstanding 2015 Notes and 2016 Notes are tendered under the Tender Offers and not validly withdrawn;
- (b) subject to the fulfilment or waiver of Condition (a) above, the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong of, respectively, one copy of each of the Rights Issue Documents duly certified by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions by the Board (and all other documents required to be attached thereto under the Companies Ordinance) no later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (c) subject to the fulfilment or waiver of Condition (a) above, the posting of the Rights Issue Documents to Qualifying Shareholders and (subject to the restrictions, if any, under relevant overseas laws and regulations) the posting of the Prospectus stamped “For Information Only” to Non-Qualifying Shareholders, in each case, by no later than the Posting Date;
- (d) the Stock Exchange granting or agreeing to grant (subject to allotment), the listing of, and permission to deal in the Rights Shares in nil-paid and fully-paid forms prior to the expected date of commencement of trading of the Rights Shares in nil-paid form (or such other date as may be agreed between the Company and the Underwriter), and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (e) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;

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- (f) all relevant consents and approvals being obtained from all relevant governmental and regulatory authorities, including the Stock Exchange, by the Company, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required;
- (g) compliance with and performance by the Company with its material obligations under the Underwriting Agreement by the times specified;
- (h) compliance with and performance by the Undertaking Shareholders of (i) their obligations to accept and pay for their respective portions of the Rights Shares under their Irrevocable Undertakings by the time specified and (ii) save and except for Atlantis, their non-disposal undertakings in the manner as set out in their respective Irrevocable Undertakings;
- (i) receipt by the Underwriter (in a form and substance satisfactory to them) of all other relevant documents by the times specified in the Underwriting Agreement; and
- (j) in respect of the warranties and the undertakings contained in the Underwriting Agreement, by the Latest Time for Termination:
 - (a) no material breach of any of such warranties or undertakings having come to the knowledge of any of the Underwriter;
 - (b) the Underwriter does not have any cause to believe that any material breach of such warranties or the undertakings has occurred; and
 - (c) a matter not having arisen which would reasonably be expected to give rise to a material breach or a claim.

As at the date of this Prospectus, condition (a)(i) above has been fulfilled and condition (a)(ii) has been waived by the Company and conditions (b) and (c) have been fulfilled by the Company. The Company shall procure the fulfilment of each of the above conditions by the relevant time and/or date (or if no date is specified, by the Latest Time for Termination) and to procure that each of such conditions is fulfilled on or before each of their respective specified times and in any event on or before the Long Stop Date and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be required by the Underwriter and the Stock Exchange in connection with the Rights Issue and the listing of the Rights Shares.

If any of the above conditions (other than condition (d) above which cannot be waived) have not been fulfilled or waived in accordance with the terms of the Underwriting Agreement by the specified time and date therein or the Latest Time for Termination occurs, or will occur, after the Long Stop Date, the Underwriting Agreement shall terminate and the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party of the Underwriting Agreement will have any claim against any other save for any antecedent breach, costs, fees, and other out-of-pocket expenses which have been reasonably incurred by the Underwriter (other than any underwriting commission) will be borne by the Company.

LETTER FROM THE BOARD

The Underwriter shall have the right, in its sole discretion, having had prior consultations with the Company, and by giving notice to the Company on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled:

- (1) to extend the deadline for the fulfilment of any such condition by such time or number of days or in such manner as the Underwriter may determine; or
- (2) to waive such condition (other than Condition (d) above), and such waiver may be made subject to such terms and conditions as the Underwriter may determine.

Termination of the Underwriting Agreement

If at any time prior to the Latest Time for Termination:

- (a) there comes to the notice of the Underwriter:
 - (i) any matter or any event showing any of the warranties and undertakings contained in the Underwriting Agreement was, when given, untrue or misleading or as having been breached in any material respect, or there has been a material breach by the Company of any of its obligations or undertakings under the Underwriting Agreement or the Underwriter has reasonable cause to believe that any such breach has occurred or that any matter has arisen which might reasonably be expected to give rise to such a breach or any claims, actions, litigations, proceedings or investigations (whether by governmental or regulatory bodies or otherwise), demands, judgements or awards;
 - (ii) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at that time, constitute a material omission therefrom;
 - (iii) that the Company is required to produce a supplementary prospectus (the Underwriter having first consulted with the Company where practicable) in circumstances where the matter to be disclosed, in the reasonable opinion of the Underwriter, prejudicially and materially adversely affects or may prejudicially and materially adversely affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue; or
 - (iv) there is any adverse change or prospective adverse change in the business, condition, results of operations, prospects, management, shareholders' equity or in the financial or trading position of the Group as a whole which, in the reasonable opinion of the Underwriter, is or may be so material and adverse so as to make it impracticable to proceed with the Rights Issue;

then in any such case the Underwriter may, by notice in writing to the Company, terminate this Agreement; or

LETTER FROM THE BOARD

- (b) there shall develop, occur, happen, come into effect, exist or come to the knowledge of the Underwriter any event, series of events or circumstances concerning or relating to or which may give rise to (whether or not foreseeable):
- (i) any change in, any event or series of events resulting in or likely to result in any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, taxation, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in the PRC, Hong Kong, the United States, the European Union (or any member thereof); or
 - (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
 - (iii) the declaration of a banking moratorium by the PRC, Hong Kong, the United States, or the European Union (or any member thereof) or authorities; or
 - (iv) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ National Market, or any major disruption of any securities settlement or clearing services in Hong Kong or the United States; or
 - (v) any new law or regulation or any change in existing laws or regulations in or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
 - (vi) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or where such suspension is for no more than three trading days),

the effect of which events and circumstances referred to above, individually or in the aggregate (in the reasonable opinion of the Underwriter after consultation with the Company): (1) is or will or is likely to have a materially adverse effect on the business or financial condition of the Group as a whole or the Rights Issue; or (2) has or will have or is likely to have a material adverse effect on the Rights Issue or the level or prospects of Rights Shares not taken up; or (3) makes or may make it inadvisable or inexpedient to proceed with the Rights Issue,

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then in such case the Underwriter may by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

Upon such notice being given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall cease and terminate immediately and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Underwriter exercises such right, the Rights Issue will not proceed and a further announcement will be made.

IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

As at the Latest Practicable Date, the Undertaking Shareholders held an aggregate of 11,567,200,088 Shares, representing approximately 54.70% of the issued share capital of the Company.

Each of the Undertaking Shareholders has provided an irrevocable and unconditional undertaking to the Company and the Underwriter, to, among other things:

- (a) accept or procure the acceptance of the Rights Shares to be provisionally allotted to it, which under the Rights Issue in proportion to the Shares registered in its name as at the date of the undertaking; and
- (b) lodge PALs in respect of the Rights Shares provisionally allotted to it with the Share Registrar with payment therefor in accordance with the terms of the Rights Issue Documents by no later than 4:00 p.m. on the third Business Day after the Rights Issue becomes open for acceptance.

Each of the Undertaking Shareholders has also irrevocably and unconditionally undertaken to the Company and the Underwriter that it will not, without first having obtained the prior written consent of the Company and the Underwriter:

- (a) transfer or otherwise dispose of (including without limitation entering into an agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Irrevocable Undertaking and the Record Date; or
- (b) transfer or otherwise dispose of (including without limitation entering into an agreement to dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted to them pursuant to the Rights Issue) any Share or any interest therein between the Record Date and the latest time for acceptance.

Other than the Undertaking Shareholders, the Company has not received any undertakings from any other Shareholders subscribing for all or any of the Rights Shares to be provisionally allotted to them.

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EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue as at the Latest Practicable Date and immediately after the completion of the Rights Issue are as follows (assuming no Shares (other than the Rights Shares) are allotted and issued and no existing Shares are being repurchased by the Company on or before the Record Date):

| | Shareholding immediately after completion of the Rights Issue | | | | | |
|--------------------------|--|--|--|--|--|--|
| | As at the Latest Practicable Date | | Assuming 0% taken up by the Qualifying Shareholders other than the Undertaking Shareholders | | Assuming 100% taken up by the Qualifying Shareholders | |
| | No. of Shares | Approximate % of the total issued Shares | No. of Shares | Approximate % of the total issued Shares | No. of Shares | Approximate % of the total issued Shares |
| | | | | | | |
| Super Brilliant (note 1) | 10,255,825,388 | 48.50 | 15,383,738,082 | 48.50 | 15,383,738,082 | 48.50 |
| Gloss Season (note 1) | 81,600,000 | 0.39 | 122,400,000 | 0.39 | 122,400,000 | 0.39 |
| Mr. Dai Yongge (note 2) | 102,600,000 | 0.48 | 153,900,000 | 0.48 | 153,900,000 | 0.48 |
| Wealthy Aim (note 3) | 427,174,700 | 2.02 | 640,762,050 | 2.02 | 640,762,050 | 2.02 |
| Atlantis (note 4) | 700,000,000 | 3.31 | 1,050,000,000 | 3.31 | 1,050,000,000 | 3.31 |
| Underwriter (note 5) | 0 | 0 | 4,790,465,956 | 15.10 | 0 | 0 |
| Other Directors | | | | | | |
| Ms. Wang Chunrong | 33,600,000 | 0.16 | 33,600,000 | 0.10 | 50,400,000 | 0.16 |
| Mr. Zhang Dabin | 16,100,000 | 0.08 | 16,100,000 | 0.05 | 24,150,000 | 0.08 |
| Mr. Wang Hongfang | 6,050,000 | 0.02 | 22,050,000 | 0.07 | 25,075,000 | 0.08 |
| Other Shareholders | 9,525,181,912 | 45.04 | 9,509,181,912 | 29.98 | 14,271,772,868 | 44.98 |
| Total | 21,148,132,000 | 100.00 | 31,722,198,000 | 100.00 | 31,722,198,000 | 100.00 |

Notes:

- (1) Super Brilliant is wholly-owned by Shining Hill Investments Limited which is in turn wholly owned by Mr. Dai. Gloss Season is wholly-owned by Mr. Dai.
- (2) Mr. Dai is directly interested in 102,600,000 Shares, together with his interest in Super Brilliant and Gloss Season, Mr. Dai is interested in (directly and indirectly) 10,440,025,388 Shares in aggregate, amount to approximately 49.37% of the total issued shares of the Company. Ms. Zhang Xingmei 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.
- (3) In connection with the Company's listing in 2008, a management incentive scheme has been set up in order to reward and motivate employees and other individuals of the Group (the Pre-IPO Option Scheme). The Pre-IPO Option Scheme has been implemented through Wealthy Aim, which granted rights to directors of the Company, employees and other individuals who have made contributions of the Group (the Selected Grantees) to acquire from it, certain existing shares of the Company at a pre-determined exercise price. All of such existing shares in the Company are subject to the rights under the Pre-IPO Option Scheme and they remain to be transferred to the Selected Grantees upon exercise of such rights.
- (4) Atlantis is deemed to be interested in Shares by virtue of its role as discretionary investment manager on behalf of its clients' accounts.
- (5) Pursuant to the Underwriter's underwriting obligation pursuant to the Underwriting Agreement.

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- (6) Mr. Wang Hongfang has acquired 16,000,000 Shares on the Latest Practicable Date (subject to settlement) and as these Shares were acquired on an ex-rights basis, no Rights Shares (neither in nil-paid form nor fully-paid form) will be allotted to Mr. Wang Hongfang in respect to these 16,000,000 Shares.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from 3 December 2014. The Rights Shares in their nil-paid form will be dealt in 15 December 2014 to 22 December 2014 (both days inclusive). The Rights Issue is conditional upon, among others, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms, accordingly, the Rights Issue may or may not become unconditional and may or may not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing Shares and/or Rights Shares is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter' right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

TENDER OFFERS AND CONSENT SOLICITATIONS

In 2010, the Company issued (i) the 2015 Notes in aggregate principal amount of US\$300,000,000 at 11.75% per annum, payable semi-annually in arrears, which will be due in 2015 and (ii) the 2016 Notes in aggregate principal amount of US\$600,000,000 at 13.0% per annum, payable semi-annually in arrears, which will be due in 2016. Both Notes are listed on SGX-ST. The CUSIP, ISIN and Common Code are 75972C AA7, US75972CAA71 and 050710432, respectively, for the 2015 Notes sold under Rule 144A and G75004 AA2, USG75004AA24 and 050710467, respectively, for the 2015 Notes sold under Regulation S. The CUSIP, ISIN and Common Code are 75972C AB5, US75972CAB54 and 053960111 for the 2016 Notes sold under Rule 144A and G75004 AB0, USG75004AB07 and 053960057 for the 2016 Notes sold under Regulation S.

On the date of the Announcement, the Company commenced the Tender Offers to purchase for cash any and all of its outstanding Notes. In conjunction with the Tender Offers, the Company is also soliciting from the Holders consents to the Proposed Notes Amendments and Waivers.

The Proposed Notes Amendments and Waivers, once adopted and effected, will eliminate substantially all of the restrictive covenants in the Indentures governing the Company's actions in order to provide the Company with increased financial and operating flexibility in the future, and will modify certain events of default as defined therein and will waive any and all actual

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defaults or events of default that have occurred or may or will occur under the Indentures as a result of the execution of various financing documents for the committed bank loan financing(s) and the draw-down of such loan, including the relevant security arrangements.

In addition, Holders who validly tender their Notes or Consents, without tendering their Notes, to the Proposed Notes Amendments and Waivers, will, upon receipt in full of the Total Consideration (as defined below), the Purchase Price (as defined below) or the Consent Payment (as defined below) in relation to their Notes, as applicable, be deemed to have released and waived any and all claims they may have arising from any prior non-compliance by the Company, its affiliates or its subsidiaries with the terms of the Indenture in relation to their Notes.

Once the Proposed Notes Amendments and Waiver become effective and operative, non-tendering Holders of the Notes will not be entitled to the benefit of substantially all of the restrictive covenants and certain events of default or other provisions under the Indentures in relation to their Notes, for which any and all actual defaults or events of default that have occurred or may or will occur under the Indentures including but not limited to as a result of the execution of various financing documents for the relevant committed bank loan financing(s) and the issue of draw-down notice(s) of such loan, including the relevant security arrangements, will have been waived.

The Offers

The Offer for the 2015 Notes commenced on 24 November 2014 (New York City Time) and will expire at 5:00 p.m., New York City time, on 30 December 2014 (the “**2015 Notes Expiration Date**”) and the Offer for the 2016 Notes commenced on 24 November 2014 (New York City Time) and will expire at 5:00 p.m., New York City time, on 30 December 2014 (the “**2016 Notes Expiration Date**”, together with the 2015 Notes Expiration Date, the “**Expiration Dates**”), unless otherwise extended by the Company. An appropriate announcement will be made if and when the applicable Expiration Date is extended.

Subject to the terms and conditions set forth in Offer to Purchase and Consent Solicitation Statement, the Company offers to pay each registered Holder who validly tenders its Notes of the applicable series at or prior to the applicable Tender Withdraw Deadline (and thereby automatically consents to the Proposed Notes Amendments and Waivers in relation to such Notes) and does not validly revoke its tender at or prior to such Tender Withdraw Deadline, the applicable Total Consideration (as defined below) on the applicable Settlement Date (as defined below) if, and only if, all conditions to the Offers are satisfied or waived and the Notes of the applicable series to which the Consents relate are accepted for payment pursuant to the terms of the applicable Offers.

The total consideration for each US\$1,000 principal amount of the 2015 Notes tendered and accepted for payment and not validly withdrawn at or prior to the 2015 Notes Tender Withdraw Deadline (the “**2015 Notes Total Consideration**”) shall be a purchase price equal to (i) the amount of US\$880 per US\$1,000 principal amount of Notes (the “**2015 Notes Purchase**

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Price”) plus (ii) an amount equal to US\$49.5 per US\$1,000 principal amount of the 2015 Notes, which will constitute an early tender payment (the “**2015 Notes Early Tender Payment**”) plus (iii) an amount equal to US\$0.5 per US\$1,000 principal amount of the 2015 Notes (the “**2015 Notes Total Consent Payment**”), which will constitute an early consent payment of US\$0.4 per US\$1,000 principal amount of the 2015 Notes (the “**2015 Notes Early Consent Payment**”) and a consent payment of US\$0.1 per US\$1,000 principal amount of the 2015 Notes (the “**2015 Notes Consent Payment**”).

The total consideration for each US\$1,000 principal amount of the 2016 Notes tendered and accepted for payment and not validly withdrawn at or prior to the 2016 Notes Tender Withdraw Deadline (the “**2016 Notes Total Consideration**” and, together with the 2015 Notes Total Consideration, the “**Total Consideration**”) shall be a purchase price equal to (i) the amount of US\$770 per US\$1,000 principal amount of Notes (the “**2016 Notes Purchase Price**” and, together with the 2015 Notes Purchase Price, the “**Purchase Price**”) plus (ii) an amount of equal to US\$49.5 per US\$1,000 principal amount of the 2016 Notes, which will constitute an early tender payment (the “**2016 Notes Early Tender Payment**” and, together with 2015 Notes Early Tender Payment, the “**Early Tender Payment**”) plus (iii) an amount equal to US\$0.5 per US\$1,000 principal amount of the 2016 Notes (the “**2016 Notes Total Consent Payment**, together with the 2015 Notes Total Consent Payment, the “**Total Consent Payment**”), which will constitute an early consent payment of US\$0.4 per US\$1,000 principal amount of the 2016 Notes (the “**2016 Notes Early Consent Payment**” together with the 2015 Notes Early Consent Payment, the “**Early Consent Payment**) and a consent payment of US\$0.1 per US\$1,000 principal amount of the 2016 Notes (the “**2016 Notes Consent Payment**”, together with the 2015 Notes Consent Payment, the “**Consent Payment**”).

In addition to the applicable Total Consideration or the applicable Purchase Price and Consent Payment, as the case may be, each Holder whose Notes are validly tendered and accepted for payment will receive accrued interest in respect of their Notes from the last interest payment date up to, but not including, the applicable Tender Settlement Date (as defined below). Holders who validly deliver Consents at or prior to the applicable Consent Date but do not tender their Notes in respect of such Consents will receive the applicable Total Consent Payment. Holders who deliver their Consents after the applicable Consent Date but at or prior to the applicable Expiration Date will receive the applicable Total Consent Payment. However, Holders who deliver Consent only without tendering their Notes will not receive the Early Tender Payment, the Purchase Price or the Accrued Interest paid to tendering Holders in relation to their Notes.

Tenders of the Notes and delivery of the Consents in respect of the Notes pursuant to the Offers will be accepted only in denominations of US\$100,000 or integral multiples of US\$1,000 in excess thereof. Holders that tender their Notes after the applicable Tender Withdraw Deadline but at or prior to applicable Expiration Date will receive only the Early Tender Payment, the Purchase Price and the Consent Payment in relation to their Notes on settlement.

Holders who validly tender their Notes at or prior to the applicable Expiration Date pursuant to the applicable Tender Offer will be deemed to have delivered a Consent by such tender. The settlement date in relation to the applicable Notes is expected to occur no later than five business days (excluding Saturday, Sunday or any public holidays in New York or Hong Kong) after the Expiration Date in relation to such Notes (the “**Tender Settlement Date**”).

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The Proposed Notes Amendments and Waivers

A summary of the Proposed Notes Amendment and Waivers to the Indentures governing the 2015 Notes and 2016 Notes is as follow:

- (a) eliminate substantially all of the restrictive covenants contained in the 2015 Notes Indenture and the 2016 Notes Indenture including the limitations on 1) offer to purchase by application of excess proceeds, 2) reports, 3) compliance certificate, 4) restricted payments, 5) dividend and other payment restrictions affecting restricted subsidiaries, 6) incurrence of indebtedness and issuance of preferred stock, 7) asset sales, 8) transaction with affiliates, 9) liens other than liens over the Collateral, 10) business activities, 11) corporate existence, 12) offer to repurchase upon change of control, 13) sale and leaseback transactions, 14) issuances and sales of equity interests in restricted subsidiaries, 15) issuances of guarantees of indebtedness, 16) payments for the consent, 17) provision of additional note guarantees, 18) non-guarantor offshore subsidiaries, 19) designation of restricted and unrestricted subsidiaries, 20) maintenance of listing, 21) government approvals and licenses and compliance with law, 22) compliance with certain requirements in the merger, consolidation and sale of assets and 23) provision of additional share pledges;
- (b) eliminate events of default including but not limited to (1) Company conducting asset sales; (2) failure by the Company to repurchase the Notes upon a change of control; (3) failure by the Company or its relevant subsidiaries to comply with any of the other agreements under the Indenture the default of which required the notice to be served by the trustee or the holders of at least 25% in aggregate of the principal amount of the relevant Notes then outstanding; (4) cross default under any mortgage, indenture or instrument for money borrowed by the Company or any of its relevant subsidiaries if that default is a payment default or results in the acceleration of such indebtedness prior to its express maturity and, in each case, the principal amounts of any such indebtedness aggregates US\$10.0 million or more; (5) failure to pay and final judgments entered by the court(s) of competent jurisdiction aggregating in the excess of US\$10.0 million for a period of 60 consecutive days;
- (c) eliminate restrictions on disposal of assets, consolidation or merger that would affect certain financial ratios of the Company or result in downgrade of the Notes; and
- (d) waive (1) any and all of the actual defaults or event of defaults that have occurred (and are continuing) as a result of the Company failing to provide additional subsidiary guarantees and the related share pledges within the time period as required under 2015 Notes Indenture and 2016 Notes Indentures; and (2) any and all defaults or events of defaults that may or will occur (and be continuing) under the 2015 Notes Indenture and 2016 Notes Indentures arising from the execution of various financing documents related to the committed bank loan financing(s) related to the Offers.

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Conditions of the Offers

The acceptance for purchase, and payment for, the Notes validly tendered and Consents validly delivered pursuant to the Offers, are conditional upon, among other things:

- (a) at least 75% of the total aggregate principal amount of the outstanding 2015 Notes and 2016 Notes are tendered under the Tender Offers and not validly withdrawn at or prior to the later of the 2015 Expiration Date and the 2016 Expiration Date;
- (b) the satisfaction or waiver of all conditions precedent for the draw-down notice(s) and the issue of draw-down notice(s) for all or part of the commitments under the committed bank loan financing(s) on or prior to fifth business days (excluding Saturday, Sunday or any public holidays in New York or Hong Kong) in the US following the later of the Expiration Dates;
- (c) the satisfaction or waiver of all conditions precedent of the Rights Issue under the Underwriting Agreement and the same not being terminated on or prior to the fifth business days (excluding Saturday, Sunday or any public holidays in New York or Hong Kong) in the US following the later of the Expiration Dates;
- (d) satisfaction of certain customary general conditions as set forth in the Offers to Purchase and Consent Solicitation Statement;
- (e) at or prior to the later of the 2015 Notes Tender Withdraw Deadline and the 2016 Notes Tender Withdraw Deadline, the receipt of consents of the Holders of at least a majority of the aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes not owned by the Company or any of its affiliates, respectively, in respect of the 2015 Notes Proposed Amendments and Waivers and the 2016 Notes Proposed Amendments and Waivers; and
- (f) the acceptance by the Company of the 2015 Notes and/or 2016 Notes validly tendered (and not validly withdrawn) for purchase pursuant to the Tender Offers and the Consents validly delivered (and not validly revoked) pursuant to the Consent Solicitations.

Subject to the requirements of applicable law, the Company reserves the right, in its sole discretion, to waive any or all conditions (including the timing of the relevant conditions) of any Offer (except the receipt of Requisite Consents with respect to both 2015 Notes and 2016 Notes). As at the date of this Prospectus, condition (a) above has already been waived by the Company.

The funds required for the Company to consummate the Offers will be funded by (i) the committed bank loan financing(s) and (ii) proceeds from the Rights Issue.

The Company expressly reserves the right, subject to applicable law, to (a) accept for purchase and pay for all 2015 Notes validly tendered at or prior to the Tender Withdraw Deadline in relating to the 2015 Notes, or Consents validly delivered at or prior to the Expiration Date in relation to the 2015 Notes, or all 2015 Notes validly tendered at or prior to the Expiration Date relating to the 2015 Notes and to keep the Offer for the 2015 Notes open

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or extend the Tender Withdraw Deadline, Consent Date or the Expiration Date relating to the 2015 Notes to a later date and time as announced by the Company, (b) accept for purchase and pay for all 2016 Notes validly tendered at or prior to the Tender Withdrawal Deadline relating to the 2016 Notes, or Consents validly delivered at or prior to the Expiration Date relating to the 2016 Notes, or all 2016 Notes validly tendered at or prior to the Expiration Date in relation to the 2016 Notes and to keep the Offer for the 2016 Notes open or extend the Tender Withdraw Deadline, Consent Date or Expiration Date in relation to the 2016 Notes to a later date and time as announced by the Company, (c) waive any and all conditions to the Offer for the 2015 Notes (except that the receipt of the Requisite Consents of each of the 2015 Notes and 2016 Notes, respectively, is required for approval of the Proposed Notes Amendments and Waiver and may not be waived), (d) waive any and all conditions to the Offer for the 2016 Notes (except that the receipt of the Requisite Consents of each of the 2015 Notes and 2016 Notes, respectively, is required for approval of the Proposed Notes Amendments and Waiver and may not be waived), (e) terminate the Offer(s) relating to the 2015 Notes and/or 2016 Notes at any time or (f) otherwise amend the Offer(s) relating to the 2015 Notes and/or 2016 Notes in any respect.

The terms of the Offers are more fully described in the Offers to Purchase and Consent Solicitation Statement, which sets out further details regarding the tender and consent delivery procedures and the conditions of the Offers.

Due to the intensifying competition in the commercial property sector in China in the past few years and the impact from new business models, the Company has been prudent in terms of new project developments, with only three malls to commence operation in 2013 with a total gross floor area of 0.14 million square meters. In the six months ended 30 June, 2014, the Company did not commence the development of any new project. As a result of the slowdown in new project development and the decrease in the transfer of operation rights as a consequence, the Company's overall results of operations were materially adversely impacted, resulting in a net loss of RMB1,748.4 million in 2013 and a net loss of RMB883.7 million in the six months ended 30 June, 2014. The Company recorded a net valuation loss of RMB914.3 million on investment properties in the six months ended 30 June, 2014 as compared to net gain of RMB126.3 million in the six months ended 30 June, 2013, which was mainly due to the decrease in valuation of the Dongguan project as a result of the change of approximately 17,322 square meters construction areas from shopping mall to car park space. Furthermore, the Company had negative cash flow from operating activities of RMB427.3 million in 2013 and a negative cash flow from operating activities of RMB152.4 million in the six months ended 30 June, 2014. As of 30 June, 2014, the Company had consolidated cash at bank and on hand of RMB1,295.1 million. In addition, the Company incurred consolidated finance expenses of RMB212.4 million for the six months ended 30 June 2014.

As a result of the weak financial performance of the Company, the rating agencies has downgraded the ratings of both 2015 Notes and 2016 Notes from "BB(S&P)" and "Ba2(Moody's)" at the time of their original issuance to the current "CCC(S&P)" and "Caa3(Moody's)". The rating downgrade makes it difficult for the Company to raise additional capital through debt offerings in the international capital markets.

If the commercial property market does not rebound, the Company may not be able to achieve profitability in the near future and its liquidity position may decline.

If the Offers are successful, the Company would have significantly reduced its financial obligation and interest expenses under the Notes, and gained additional flexibility to carry out its business strategies and to make necessary investments and structural changes to improve its

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business prospects. If the Offers are not successful and assuming the Company's liquidity position has not improved or has deteriorate at the time the Notes mature, there is no assurance that the Company will be able to secure sufficient funds internally to fully repay the principal amount of the outstanding Notes.

From time to time after the Expiration Dates or termination of the Offers, the Company may acquire Notes that remain outstanding, whether or not the Offers are consummated, through open market purchase, privately negotiated transactions or otherwise, upon terms and at prices as it may determine, which may be more or less than the price to be paid for the Notes pursuant to the Offers.

The Company has appointed Deutsche Bank AG, Singapore Branch as the sole Dealer Manager, and Syntax GIS Ltd as Information Agent with respect to the Offers (each as stipulated in the Offers to Purchase and Consent Solicitation Statement and its related documents). Requests for copies of the Offers to Purchase and Consent Solicitation Statement and its related documents may be directed to the Information Agent at the address and telephone number as set forth in the Offer to Purchase and Consent Solicitation Statement.

THIS PROSPECTUS IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT.

The Offers are not being made to (nor will the tender of Notes and delivery of Consents be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Offers would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Offers, the tender of Notes or the delivery of Consents would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Offers will not be made to (nor will tenders or Consents be accepted from or on behalf of) any Holder residing in such jurisdiction.

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

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in development, lease and management of underground malls in the PRC.

The primary purpose of the Rights Issue is to finance the Offers, with the remaining net proceeds (if any) to be applied for general working capital purposes. The Directors believe that it is in the best interest of the Company to enlarge the capital base of the Company through Rights Issue for the purpose of financing the Offers. In the event that the Rights Issue is completed but the Offers do not proceed for any reason, the Company intends to apply all such net proceeds of the Rights Issue for general working capital purposes.

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The principal purposes of the Offers are to (i) acquire all outstanding Notes of the Company below par and to reduce outstanding debt of the Company; (ii) reduce interest expenses; and (iii) to eliminate substantially all of the restrictive covenants and to modify certain events of defaults and other provisions in the Indentures; and (iv) waive any and all actual and potential defaults or events of default of the Notes that have occurred and are continuing as well as any and all potential defaults or event of defaults of the Notes that may have occurred or may be continuing under the Indentures and the Notes whether or not specifically described in the Offer to Purchase and Consent Solicitation Statement.

Use of Proceeds

The estimated net proceeds of the Rights Issue will be approximately HK\$3,297 million after the deduction of all estimated expenses (assuming that no new Shares are allotted or issued on or before the Record Date and no repurchase of Shares on or before the Record Date). The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.31. The Company intends to apply all the net proceeds of the Rights Issue to finance the Offers with the remaining balance (if any) for general working capital purposes. In the event that the Rights Issue is completed but the Offers do not proceed for any reason, the Company intends to apply all such net proceeds of the Rights Issue for general working capital purposes.

FUND RAISING OF THE COMPANY

The Company has not engaged in or initiated any equity fund raising exercises or any rights issue exercise during the past 12 months immediately before the Latest Practicable Date.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares and as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of
**RENHE COMMERCIAL HOLDINGS
COMPANY LIMITED**
Dai Yongge
Chairman

1. SUMMARY OF FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2011, 2012 and 2013 and the first six months ended 30 June 2014 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.renhebusiness.com>):

- annual report of the Company for the year ended 2011 published on 30 April 2012 (pages 45 to 130);
- annual report of the Company for the year ended 2012 published on 29 April 2013 (pages 41 to 124);
- annual report of the Company for the year ended 2013 published on 29 April 2014 (pages 43 to 132); and
- interim report of the Company for the six months ended 30 June 2014 published on 26 September 2014 (pages 18 to 44).

2. INDEBTEDNESS

As at the close of business on 31 October 2014, being the latest practicable date prior to the printing of this Prospectus for the purposes of ascertaining information contained in this indebtedness statement, the details of the Group's outstanding borrowings were set out as follows:

| | |
|---|------------------|
| | <i>RMB'000</i> |
| The 2015 Notes (a) | 1,836,188 |
| The 2016 Notes (a) | 3,655,344 |
| Secured bank loans (b) | 1,298,900 |
| Secured loans from other financial institutions (c) | 1,475,200 |
| | <u>8,265,632</u> |

- (a) On 18 May 2010, the Company issued senior notes of USD300,000,000 ("Senior Notes 2015"). The Senior Notes 2015 bear an interest rate at 11.75% per annum, payable semi-annually in arrears, and will be due in 2015.

On 10 September 2010 and 15 November 2010, the Company issued in aggregation of USD600,000,000 senior notes ("Senior Notes 2016"). The Senior Notes 2016 bear an interest rate at 13% per annum, payable semi-annually in arrears, and will be due in 2016.

The Group's certain subsidiaries registered in Hong Kong and the BVI have provided guarantee to the Senior Notes 2015 and Senior Notes 2016. The guarantee will be released upon the full and final payments of the Senior Notes.

- (b) Secured bank loans represent bank loans borrowed by the PRC subsidiaries from banks which are secured by restricted bank deposits, investment properties and/or guarantee provided by a director of the Company and certain PRC subsidiaries of the Group. As at 31 October 2014, the total amount of such secured bank loans amounted to approximately RMB1,299 million, and among which approximately RMB519 million will be due within 1 year; and
- (c) Secured loans from other financial institutions represent other loans borrowed by the PRC subsidiaries of the Group from other financial institutions other than banks which are secured by restricted bank deposits, investment properties, 100% ownership interest of one PRC subsidiary, and/or guarantee provided by directors of the Company and certain PRC subsidiaries of the Group. As at 31 October 2014, the total amount of such other secured loans amounted to approximately RMB1,475 million, and among which approximately RMB1,009 million will be due within 1 year.

RMB'000

Contingent Liabilities 111,686

Contingent liabilities represent the guarantees provided and deposits made by the Group to banks to assist the buyers of operation rights to obtain bank loans. As at 31 October 2014, the outstanding guarantees provided by the Group to the banks to facilitate buyers financing amounted to approximately RMB112 million. Such guarantees and deposits will be released along with the repayment of loan principal by the buyers.

Save for the above or otherwise disclosed herein, as at the close of business on 31 October 2014, the Group did not have any (a) debt securities, whether issued and outstanding, authorized or otherwise created but unissued, or term loans, whether guaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured; (b) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guarantee, unguaranteed, secured or unsecured; (c) mortgages and charges; or (d) guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that, in the absence of unforeseen circumstances and after taking into account, the expected completion of the Rights Issue, the cash flow generated from the operating activities, the financial resources available to the Group including internally generated funds and the available credit facilities, the Group has sufficient working capital for at least the next twelve months from the date of this Prospectus.

4. NO MATERIAL ADVERSE CHANGE

Save and except for the financial information of the Group for the six months ended 30 June 2014 as disclosed in the interim report of the Company issued on 26 September 2014 (“**Interim Report**”), which referred to, including but not limited, a loss for the period of approximately RMB883.7 million, a decrease of profit margin for transfer of operation rights to 23.4% and a net valuation of loss of approximately RMB914.3 million (due to a change of

construction area from shopping mall to civil defence areas in the form of car parking spaces), details of which are set out in the Interim Report, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL, BUSINESS AND TRADING PROSPECTS OF THE GROUP

Business

As at 30 June 2014, the Group manages 22 malls across 12 cities in China. Gross floor area (“GFA”) under management is 1.26 million sq.m. while leasable GFA is 0.81 million sq.m. The Group’s current project reserve is 4.81 million sq.m. of GFA. This includes (i) 12 projects under construction with total construction GFA of 1.32 million sq.m.; and (ii) 19 projects approved and under planning stage with total approved GFA of 3.49 million sq.m. Details of malls under management as well as its project reserve have been disclosed in the interim report of the Company for the six months ended 30 June 2014.

Under the macro backdrop of intensifying competition in the commercial property sector and impact from the new business models, the Company will continue to be prudent in terms of commencing new projects for development. During the first half of 2014, the Group did not commence operation of any shopping malls.

Outlook

Despite the unfavourable macro backdrop, the Company believes that China’s positive stance and support towards consumption sector and underground shopping centers development remains intact. The Company will continue to enhance operation condition of existing malls, and to optimize its management structure to improve its operation efficiency and to achieve stable moderate growth in its recurring income. As to its development business, the Company remains selective opportunistic in terms of commencing construction of new projects.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2013. The pro forma financial information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.

The exchange rates applied in this "Appendix II – Pro Forma Financial Information of the Group" are 1 HKD = 0.79126 RMB and 1 USD = 6.1345 RMB.

(A) UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 2013 as if it had taken place on 31 December 2013. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2013 or at any future date.

| | Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2013 <i>RMB million</i> <i>(Note 2)</i> | Estimated net proceeds from the Rights Issue <i>RMB million</i> <i>(Note 3)</i> | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Rights Issue <i>RMB million</i> | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after completion of the Rights Issue <i>RMB</i> <i>(Note 4)</i> |
|---|---|---|---|--|
| Based on 10,574,066,000 Rights Shares <i>(Note 1)</i> to be issued at Subscription Price of HK\$0.32 per Rights Share | 19,932 | 2,609 | 22,541 | 0.7106 |

Notes:

- (1) The Rights Issue of 10,574,066,000 Rights Shares is based on 21,148,132,000 Shares in issue on the Record Date.
- (2) The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2013 is derived from the audited consolidated financial statements of the Group for the year ended 31 December 2013, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2013 of approximately RMB19,932 million, with an adjustment for the intangible assets of approximately RMB375 million.

- (3) The estimated net proceeds from the Rights Issue are based on 10,574,066,000 Rights Shares to be issued (in the proportion of one Rights Share for every two existing Shares held as at the Record Date) at the subscription price of HK\$0.32 per Rights Share. The net proceeds from the Rights Issue of approximately RMB2,609 million (equivalent to HK\$3,297 million) is after deduction of the estimated related expenses of approximately RMB69 million (equivalent to HK\$87 million).
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in Note 2 above and on the basis that approximately 31,722,198,000 Shares were in issue assuming the Rights Issue had been completed on 31 December 2013.
- (5) Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2013.

(B) ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the auditor, KPMG, Certified Public Accountants, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.

11 December 2014

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF RENHE COMMERCIAL HOLDINGS COMPANY LIMITED (THE "COMPANY")

We have completed our assurance engagement to report on the compilation of pro forma financial information of Renhe Commercial Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2013 and related notes as set out in Part (A) of Appendix II to the Prospectus dated 11 December 2014 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part (A) of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue of Rights Shares at a Subscription Price of HK\$0.32 each on the basis of one Rights Share for every two existing Shares held on the Record Date (the "Proposed Transaction") on the Group's financial position as at 31 December 2013 as if the Proposed Transaction had taken place at 31 December 2013. As part of this process, information about the Group's financial position as at 31 December 2013 has been extracted by the Directors from the consolidated financial statements of the Company for the year then ended, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility for the information contained therein, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

| | <i>HK\$</i> <i>(Nominal Value)</i> |
|--|---------------------------------------|
| Authorised share capital: 40,000,000,000 Shares | 400,000,000 |
| Issued and fully paid share capital: 21,148,132,000 Shares in issue | 211,481,320 |
| 10,574,066,000 Rights Shares to be issued | 105,740,660 |
| Issued and fully paid share capital upon completion of the Rights Issue: 31,722,198,000 Shares | 317,221,980 |

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects, including capital, dividends and voting rights with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

The Company has not issued any Shares since the end of the last financial year (i.e. 31 December 2013). As at the Latest Practicable Date, the Company did not have any outstanding options, warrants or convertible securities which confer rights to subscribe for or affect the Shares. No capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. SHARE OPTIONS

The Company adopted a share option scheme on 25 August 2008 whereby the Directors are authorised, at their discretion, to invite employees of the Group (including Directors and directors of the subsidiary of the Group) to take up options at HK\$1 consideration to subscribe for Shares of the Company, with each option giving the holder the right to subscribe for one Share.

On 8 February 2010, 1,100,000,000 Share Options were granted to the Directors and employees of the Group. During the year ended 31 December 2012, 80,000,000 of these Share Options were forfeited.

During the year ended 31 December 2013, all the remaining 1,020,000,000 Share Options were lapsed.

In connection with the Company's listing in 2008, a management incentive scheme, the Pre-IPO Option Scheme has been set up in order to reward and motivate employees and other individuals of the Group. The Pre-IPO Option Scheme has been implemented through Wealthy Aim, which granted rights to directors of the Company, employees and other individuals who have made contributions of the Group to acquire from it, certain shares of the Company at a pre-determined exercise price. As at the Latest Practicable Date, Wealthy Aim holds 427,174,700 existing shares in the Company, representing approximately 2.02% of the issued share capital of the Company. All of such shares in the Company are subject to the rights under the Pre-IPO Option Scheme and they remain to be transferred to the Selected Grantees upon exercise of such rights.

4. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company or any of their associates had or were deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) entered in the register required to be kept pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code"):

Directors' and chief executive's interest in the Company

| Name of director | Capacity | Nature of interest | Number of Shares/underlying Shares | | | Percentage of interests in the issued share capital |
|------------------|---|--------------------|------------------------------------|---------------------|-----------------|---|
| | | | Personal interests | Corporate interests | Total interests | |
| Mr. Dai Yongge | Interest in controlled corporations and beneficial owner | L | 102,600,000 | 10,357,825,388 | 10,460,425,388 | 49.46 |
| | Interest in controlled corporations | S | 0 | 66,556,293 | 66,556,293 | 0.31 |
| Mr. Zhang Dabin | Interest in a controlled corporation and beneficial owner | L | 3,000,000 | 47,100,000 | 50,100,000 | 0.23 |

| Name of director | Capacity | Nature of interest | Number of Shares/underlying Shares | | | Percentage of interests in the issued share capital |
|-------------------|--|--------------------|------------------------------------|---------------------|-----------------|---|
| | | | Personal interests | Corporate interests | Total interests | |
| Mr. Wang Hongfang | Interest in a controlled corporation and beneficial owner | L | 17,000,000 | 22,050,000 | 39,050,000 | 0.18 |
| Ms. Wang Chunrong | Interest in a controlled corporation and beneficial owner | L | 0 | 47,200,000 | 47,200,000 | 0.22 |
| Ms. Zhang Xingmei | Deemed interest by virtue of her spouse having a notifiable interest | L | 102,600,000 | 10,357,825,388 | 10,460,425,388 | 49.46 |
| Ms. Zhang Xingmei | Deemed interest by virtue of her spouse having a notifiable interest | S | 0 | 66,556,293 | 66,556,293 | 0.31 |

5. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

| Name of Shareholder | Capacity | Nature of interest | Number of Shares | Percentage of interests in the issued share capital |
|--|--------------------------------------|--------------------|------------------|---|
| Super Brilliant (<i>note 1</i>) | Beneficial owner | L | 10,255,825,388 | 48.49 |
| Super Brilliant | Beneficial owner | S | 66,556,293 | 0.31 |
| Shining Hill | Interest of a controlled corporation | L | 10,255,825,388 | 48.49 |
| Shining Hill | Interest of a controlled corporation | S | 66,556,293 | 0.31 |
| 海通證券股份有限公司 (<i>note 2</i>) | Interest of a controlled corporation | L | 4,790,465,956 | 15.10 |
| Haitong International Securities Group Limited (<i>note 2</i>) | Interest of a controlled corporation | L | 4,790,465,956 | 15.10 |
| Underwriter (<i>note 2</i>) | Beneficial owner | L | 4,790,465,956 | 15.10 |
| China Life Insurance (Group) Company | Interest of a controlled corporation | L | 1,550,424,000 | 7.33 |
| China Life Insurance (Overseas) Co. Ltd | Beneficial owner | L | 1,550,424,000 | 7.33 |

Note 1: Super Brilliant is wholly owned by Shining Hill, both Shining Hill and Super Brilliant is wholly and beneficially owned by Mr. Dai Yongge, who is a Director.

Note 2: The long position is pursuant to the Underwriter's underwriting obligation under the Underwriting Agreement. According to the notice of interests filed by Haitong International Securities Group and 海通證券股份有限公司 on 26 November 2014, the Underwriter is indirectly wholly-owned by Haitong International Securities Group Limited and Haitong International Securities Group Limited is indirectly owned as to 68.24% by 海通證券股份有限公司.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had an existing or a proposed service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

7. OTHER ARRANGEMENTS INVOLVING DIRECTORS

As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 31 December 2013 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in, whether directly or indirectly, any subsisting contract or arrangement which is significant in relation to the business of the Group.

8. CORPORATE INFORMATION

| | |
|--|---|
| Underwriter of the Rights Issue | Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong |
| Legal adviser to the Company | Norton Rose Fulbright Hong Kong 38th Floor, Jardine House 1 Connaught Place Central Hong Kong |
| Legal adviser to the Underwriter | Mayer Brown JSM 16th-19th Floors Prince's Building 10 Chater Road Central Hong Kong |
| Reporting accountants and auditor | KPMG Certified Public Accountants 8th Floor, Prince's Building 10 Charter Road Central Hong Kong |

| | |
|----------------------------------|--|
| Share Registrar | Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong |
| Principal banker | The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Hong Kong |
| Company secretary | Hung Fan Kwan (FCPA, FCCA) |
| Authorized representative | Wang Hongfang Hung Fan Kwan (FCPA, FCCA) |

9. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Names and addresses

| Name | Business address |
|---|--|
| <i>Executive Directors</i> | |
| Mr. Dai Yongge (<i>Chairman</i>) | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Wang Hongfang (<i>Chief Executive Officer</i>) | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Zhou Jun | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Dai Bin | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| <i>Non-executive Directors</i> | |
| Mr. Zhang Dabin | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mrs. Hawken Xiu Li | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |

| Name | Business address |
|--|--|
| Ms. Jiang Mei | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Zhang Xingmei | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Wang Chunrong | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| <i>Independent non-executive Directors</i> | |
| Mr. Wang Shengli | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Wang Yifu | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Fan Ren-Da, Anthony | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Leung Chung Ki | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Tang Hon Man | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| <i>Senior management</i> | |
| Mr. Chu Chengfa | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Hung Fan Kwan | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Yue Taoming | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Sun Qiwei | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Chen Bangju | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Geng Xiaoguo | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Li Dongling | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Mr. Song Lei | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Zhang Guiru | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Qu Zhenping | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |
| Ms. Yao Zhiyun | Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong |

(b) Qualification and positions held*Executive Directors*

Mr. Dai Yongge, age 46, was appointed as an executive Director in December 2007 and the Chairman on 25 August 2008, and is a member of the remuneration committee and nomination committee of the Board. He was also the Chief Executive Officer between 26 February 2008 and 29 June 2014. With over 17 years of experience in the management of underground shopping centres, Mr. Dai is primarily responsible for the Group's overall strategic planning and the management of the Group's business. Mr. Dai became a director of certain of the Group's subsidiaries in 2003, 2005 and 2007 respectively and was responsible for the Group's strategic planning and management of the underground shopping centres in Harbin, Guangzhou and Zhengzhou. Mr. Dai was also involved in the management of a number of retail businesses in the PRC for over 10 years before becoming the Chairman of the Group in 1999. Mr. Dai is a younger brother of Mrs. Hawken Xiu Li, the spouse of Ms. Zhang Xingmei and the father of Mr. Dai Bin.

Mr. Wang Hongfang, age 54, was appointed as the Chief Executive Officer in June 2014. He was also appointed as an executive Director in December 2007 and as the executive president (investments and operations) of the Company on 26 February 2008. Mr. Wang joined the Group in 2003 and has over 19 years of management experience. He is primarily responsible for the management of the Group's investments and financing. In 2003, he was appointed as the vice president of the Group and became the executive president in 2006. Prior to joining the Group, he was assigned management positions in a number of companies in the PRC between 1994 to 2000. From 2001 to 2003, Mr. Wang was the president of Harbin Jurong New Power Co., Ltd in which he was responsible for the overall planning and management of its business. Mr. Wang graduated from Harbin Institute of Technology with a bachelor's degree in automatic control mechanics in 1982 and a master's degree in politics and economics in 1991.

Mr. Zhou Jun, aged 45, joined the Group in 2010 and has been an executive Director of the Company since April 2012. He is primarily responsible for the management of the operations of shopping centres in Eastern China. Mr. Zhou has over 17 years of experience in the management and marketing of retail businesses. Prior to joining the Group, Mr. Zhou held various positions including general manager and president of a number of large-scaled shopping centres in China from 1997 to 2010, and was responsible for the overall development, business solicitation and management of operations of shopping centres. Mr. Zhou graduated from the Luxun Academy of Fine Arts majoring in decoration, and completed an advanced program organized by Shenzhen Graduate School of Tsinghua University for senior management in 2007.

Mr. Dai Bin, aged 23, was appointed an executive Director of the Company in June 2014, and is primarily involved in the operation and management of the Company. He graduated from University of New South Wales, Australia, with a bachelor's degree of commerce, major in finance in 2012. Mr. Dai Bin is the son of Mr. Dai Yongge (the Chairman and an executive Director) and Ms. Zhang Xingmei (a non-executive Director). He is also the nephew of Mrs. Hawken, a non-executive Director.

Non-executive Directors

Mr. Zhang Dabin, age 56, was appointed as a non-executive Director in June 2014, prior to which he had been an executive Director since December 2007. He was also appointed as the executive president (project construction) of the Company in 2008. Mr. Zhang joined the Group in 1999 and has more than 20 years of experience in real estate planning related businesses. From 1999 to 2007, he was the director of certain subsidiaries of the Group, in which he was in charge of the overall strategic planning and construction of the Group's projects. Mr. Zhang was one of the members of the National Defense General Staff Corps of Engineers Construction Engineering Design in 2007.

Mrs. Hawken Xiu Li, age 51, was appointed as a non-executive Director in November 2007. Mrs. Hawken joined the Group in 1996 and has been responsible for assisting the executive Directors with formulating business strategies since then. She was appointed as a director of certain subsidiaries of the Group since 1996. Mrs. Hawken graduated from Heilongjiang University with a bachelor's degree in Chinese Literature in 1986. She is an elder sister of Mr. Dai Yongge, a sister-in-law of Ms. Zhang Xingmei and an aunt of Mr. Dai Bin.

Ms. Jiang Mei, age 42, was appointed as a non-executive Director in December 2007. Ms. Jiang joined the Group in 2002 and is responsible for assisting the executive Directors with formulating business strategies. Since 2002 she has been a director of certain Group subsidiaries. Prior to joining the Group, she was the deputy general manager of an advertising company in the PRC from 1993 to 2000. Ms. Jiang graduated from Beijing Dance Academy in 1991.

Ms. Zhang Xingmei, age 45, was appointed as a non-executive Director in December 2007. Ms. Zhang joined the Group in 1996 and has over 17 years of management experience of the underground shopping centres in the PRC. Since 1996, Ms. Zhang has been appointed as a director of certain Group subsidiaries. She has also been the chairperson of a Group subsidiary since 2002, being primarily responsible for overseeing underground shopping mall projects operations. Ms. Zhang graduated from Heilongjiang Institute of Economic Management with a college degree in business administration in 1992. Ms. Zhang is the spouse of Mr. Dai, the mother of Mr. Dai Bin and the sister-in-law of Mrs. Hawken.

Ms. Wang Chunrong, age 46, was appointed as a non-executive Director since June 2014, prior to which she had been an executive Director since December 2007. She was also appointed as a vice president (finance) of the Company on 26 February 2008. Ms. Wang joined the Group in 1996 and has over 23 years of experience in financial management. Ms. Wang is primarily responsible for overseeing the finance function of the Group. She worked as a manager and a director of certain subsidiaries of the Group since 1996. She was appointed as the vice president of the Group in 2003.

Independent non-executive Directors

Mr. Fan Ren-Da, Anthony, age 54, joined in 2007 as an independent non-executive Director of the Company and is the chairman of the audit committee of the Board of the Company. He holds a master's degree in business administration from the USA. He is the chairman and managing director of AsiaLink Capital Limited. Prior to that, he held senior positions with various international financial institutions and was the managing director of a company listed on the Stock Exchange. Mr. Fan is an independent non-executive director of Citic Resources Holdings Limited (Stock Code: 1205), Raymond Industrial Limited (Stock Code: 229), Uni-President China Holdings Limited (Stock Code: 220), LT Commercial Real Estate Limited (Stock Code: 112), CGN Meiya Power Holdings Co. Ltd. (Stock Code: 1811), China Development Bank International Investment Limited (Stock Code: 1062), Guodian Technology & Environmental Group Corporation Limited (Stock Code: 1296), Neo-Neon Holdings Ltd (Stock Code: 1868), Shanghai Industrial Urban Development Group Limited (Stock Code: 563), Technovator International Limited (Stock Code: 1206), Tenfu (Cayman) Holdings Company Limited (Stock Code: 6868) and Hong Kong Resources Holdings Company Limited (Stock Code: 2882), all listed on the Main Board of the Stock Exchange.

Mr. Wang Shengli, age 64, was appointed as an independent non-executive Director of the Company since August 2008. He is the chairman of the remuneration committee and the nomination committee, and a member of the audit committee, of the Board of the Company. Mr. Wang is a retired PRC military officer with over 41 years of experience in national defense force. Mr. Wang is currently the vice president of the China Commercial Real Estate Association, a national association for the PRC commercial real estate industry which has a very close working relationship with the Ministry of Commerce of the PRC, Ministry of Construction of PRC and similar government agencies. Mr. Wang is also currently the vice chairman of the civil air defense subdivision of the China Civil Engineering Society, the consultant to the Beijing Civil Defense Association and the consultant to Shandong Province Civil Defense Association. From 1985 to 2005, he was an officer of the Civil Air Defense Department of the PRC. Mr. Wang graduated from Liaoning University in 1985 with a bachelor's degree in Chinese Literature and politics.

Mr. Wang Yifu, age 64, was appointed as an independent non-executive Director of the Company since August 2008. He is also a member of each of the audit committee, remuneration committee and nomination committee of the Board of the Company. Mr. Wang has over 31 years of experience in the banking and finance industry. He worked at the accounting and investment divisions of several branches of the China People's Construction Bank in Harbin from 1975 to 1993. He was appointed as the director of the marketing division and the senior economist of Harbin main branch of the China People's Construction Bank in 1991 and 1993, respectively. In 1996, Mr. Wang was appointed as the supervisor of the internal auditing department of Harbin Commercial Bank and was promoted to vice-governorship in 1999. Since 2004, Mr. Wang has been the inspector of Harbin Commercial Bank. Mr. Wang graduated from Northeast Heavy Machinery College with a college degree in mechanical engineering in 1975.

Mr. Leung Chung Ki, aged 57, has been appointed as an independent non-executive Director of the Company since 2012. Mr. Leung graduated with a bachelor degree in business administration in the Chinese University of Hong Kong and a master degree in business administration in the De Paul University in United States. Mr. Leung has over 21 years of banking experience and has held directorships in various companies engaging in investment since 2000.

Mr. Tang Hon Man, aged 56, was appointed as an independent non-executive Director of the Company since 2012. Mr. Tang graduated with a bachelor degree in business administration in the Chinese University of Hong Kong. Mr. Tang has over 26 years of working experience and has been appointed as the director of supply chain management division of an international electronic product distribution group since 2006 and a director of supply chain management division of a global 3D printing technology company listed in the United States of America since April 2013.

Senior management

Mr. Chu Chengfa, age 46, is the vice president of the Company, and is responsible for the management of the Group's administration and legal affairs. Mr. Chu joined the Group in 1999 and has 22 years of experience in the legal compliance field. Mr. Chu was appointed as the head of the legal affairs department and vice president of the Group in 1999 and 2003, respectively, advising matters relating to legal compliance in respect of all the Group's projects. Prior to joining the Group, Mr. Chu worked at Heilongjiang Province Hongsheng Trade Co. as the head of the legal department and the deputy general manager of the Company from 1991 to 1999. Mr. Chu graduated from Heilongjiang University with a bachelor's degree in law in 1991.

Mr. Hung Fan Kwan, age 50, is the vice president, chief financial officer and company secretary of the Company. Mr. Hung is primarily responsible for overseeing the Group's financial reporting, internal controls and matters relating to compliance with Listing Rules requirements in respect of financial reporting and other accounting-related issues. Mr. Hung joined the Group in March 2008 and has over 26 years of experience in the accounting, finance and treasury functions. Prior to joining the Group, Mr. Hung was appointed to a number of senior accounting and financial positions with various listed and private companies in Hong Kong, including as an executive director, a chief financial officer and a qualified accountant of Modern Beauty Salon Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 919), and was previously a vice audit manager at Coopers & Lybrand (currently known as PricewaterhouseCoopers). Mr. Hung graduated with a Professional Diploma in Accountancy from the Hong Kong Polytechnic University and is a fellow member of the Chartered Association of Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and an associate of the Institute of Chartered Accountants in England and Wales.

Mr. Yue Taoming, age 51, is a deputy general manager of the project construction department of the Company. Mr. Yue joined the Group in 1999 and has over 14 years of experience in managing underground construction projects. From 1999 to 2006, he was a vice president of the Group and was responsible for overseeing the underground construction projects. Since 2006, he has been the general manager of a Group subsidiary and is responsible for the overall management of underground shopping mall units. Mr. Yue graduated from Hebei Institute of Industrial (formerly known as Hebei School of Foreign Trade) with a college degree in trading in 1990.

Mr. Sun Qiwei, age 54, is a deputy general manager of the project construction department of the Company. Mr. Sun joined the Group in 1996 and has over 17 years of experience in business administration and underground construction project management. He was the office head of a Group subsidiary from 1996 to 1999. From 1999 to 2003, he was appointed as an assistant general manager and head of the office of the Group. Since 2006, Mr. Sun has been appointed as a general manager and the vice general commander of the construction command office of various Group subsidiaries. Mr. Sun graduated from Harbin Radio and TV University with a college degree in Chinese journalism in 1988.

Mr. Chen Bangju, age 60, is a general manager of the project construction department of the Company, primarily responsible for the engineering design of construction projects. Mr. Chen has over 43 years of experience in the civil defense construction engineering. He joined the Group in 2007 and has been appointed as the vice general commander of the construction command office of a Group subsidiary. Prior to joining the Group, Mr. Chen had worked at Heilongjiang Province Civil Defense Office since 1970 as the vice commissioner and the commissioner of its engineering design department. From 2006 to 2007, he was appointed as a senior counselor of Heilongjiang Province Civil Defense Office. Mr. Chen graduated from Harbin Institute of Construction in 1984, having specialized in industrial and residential construction engineering.

Mr. Geng Xiaoguo, age 49, is a vice president and deputy general manager of the project construction department of the Company. Mr. Geng joined the Group in 2001 and has over 12 years of experience in project construction, mainly involved in the application process of the construction projects when they first commenced. Since 2006, Mr. Geng has been appointed as a director of a Group subsidiary. Mr. Geng graduated from Heilongjiang University with a bachelor's degree in law in 1987.

Ms. Li Dongling, age 42, is a vice president and deputy general manager of the investment and operation department of the Company. Ms. Li joined the Group in 2003 and has over 12 years of experience in the field of marketing and sales. Since 2003, Ms. Li has been appointed as a deputy general manager of the sales and marketing department of the Group. Prior to joining the Group, she worked at the business management department as well as the sales and marketing department of Harbin Hong Bo Trade Group from 1999 to 2003 and she was promoted as the head of both departments in early 2003. Ms. Li graduated from Harbin Polytechnic University with a college degree in business administration in 1995.

Mr. Song Lei, age 41, is a vice president and deputy general manager of the business management department of the Company. Mr. Song joined the Group in 2002 and has over 16 years of experience in business management. Since 2002, he has been appointed as a deputy general manager of the business management department of the Group and assumed an important role in sales and marketing. Prior to joining the Group, Mr. Song was a deputy general manager of business management department of Harbin Manhattan Multi-Line Group from 1997 to 2002. Mr. Song graduated from Beijing University (correspondence course) with a bachelor's degree in investment management in 1999.

Ms. Zhang Guiru, age 42, is a vice president and deputy general manager of the business management department of the Company. Ms. Zhang joined the Group in 2003 and has over 15 years of experience in business management. Ms. Zhang has been appointed as a general director of a Group subsidiary in 2003 and is primarily responsible for its business management. She had worked at Hong Bo Center since 1997 and was appointed as the head of its business management department in 2003. Ms. Zhang graduated from the Heilongjiang University with a bachelor's degree in computer software in 1994.

Ms. Qu Zhenping, age 42, is a deputy general manager of the business management department of the Company. Ms. Qu joined the Group in 1996 and has over 17 years of experience in building management and sales of shopping mall units. Since 1999, she has held senior positions, such as acting as the head of the business management department and the sales department, an assistant to the general manager and the general manager, in various Group subsidiaries. Prior to joining the Group, she worked at the business administration and sales department of Manhattan Commercial Building from 1996 to 1999. Ms. Qu graduated from Northwest Institute of Light Industry with a bachelor's degree in material engineering in 1994.

Ms. Yao Zhiyun, age 40, is a general manager of the Company's finance department. Ms. Yao joined the Group in 2001 and has over 12 years of experience in accounting and finance. Since 2001, Ms. Yao has been appointed as the head of the finance department of the Group and is equipped with skills in operation analysis, cost control, tax planning and other financial management related tasks. Ms. Yao qualified as a senior accountant in 2002, awarded by Heilongjiang Province Government. Ms. Yao graduated from Shenyang Industrial University (瀋陽工業大學) with a bachelor's degree in accounting in 1998.

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the members of the Group.

11. MATERIAL CONTRACTS

During the two years immediately preceding the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, have been entered into by the Group and are or may be material:

- (a) the Underwriting Agreement;
- (b) a dealer manager agreement dated 24 November 2014 entered by the Company with Deutsche Bank AG, Singapore Branch; and
- (c) a tender and information service agreement dated 27 October 2014 entered by the Company with Syntax GIS Limited.

12. EXPENSES

The expenses in connection with the Rights Issue, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses are estimated to be approximately HK\$87 million and will be payable by the Company.

13. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has provided its advice for inclusion in this Prospectus:

| Name | Qualification |
|-------------|------------------------------|
| KPMG | Certified Public Accountants |

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it is included.

As at the Latest Practicable Date, the above experts were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had since 31 December 2013 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

14. GENERAL

- (a) The registered office of Renhe Commercial Holdings Company Limited is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The correspondence address of Renhe Commercial Holdings Company Limited is at Suites 603-606, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (b) The English text of this document shall prevail over the Chinese text for the purposes of interpretation.

15. LEGAL EFFECT

The Rights Issue Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and the EAF and the written consent referred to in the paragraphs headed “Expert’s Qualification and Consent” in this Appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m.) on Monday to Friday unless (i) a tropic cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, from the date of this Prospectus up to and including 30 December 2014 at the Company’s registered office in Hong Kong:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix III to this Prospectus;

- (c) the report issued by KPMG regarding the unaudited pro forma statement of consolidated net tangible assets of the Group as set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this Appendix III to this Prospectus;
- (e) the annual reports of the Company for each of the three years ended 31 December 2011, 2012 and 2013 and interim report of the Company for the six months ended 30 June 2014; and
- (f) this Prospectus.