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Renhe Commercial Holdings Company Limited

人和商業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1387)

SUPPLEMENTAL AGREEMENT TO THE MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

Reference is made to the announcement of Renhe Commercial Holdings Company Limited (the “**Company**”) dated 11 September 2018 (the “**Announcement**”) in relation to the Proposed Acquisition pursuant to which Mr. Dai, the controlling shareholder (as defined in the Listing Rules) of the Company, proposed to sell or procure to sell and the Purchaser, a wholly-owned subsidiary of the Company, proposed to acquire equity interest in the Target Company, which, together with its subsidiaries, principally engaged in agricultural produce wholesale and retail operations across China. Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Announcement.

As the negotiations between the parties of the MOU (the “**Parties**”) in respect of the Proposed Acquisition is still on-going, including but not limited to the proportion of equity interest to be acquired, the Board wishes to announce that after trading hours on 7 March 2019, Mr. Dai, the Target Company and the Purchaser entered into a supplemental agreement to the memorandum of understanding (the “**Supplemental MOU**”), pursuant to which the Exclusivity Period was extended for another 180 days (the “**Extension**”) after the expiry of the exclusivity period as defined in the MOU (or such other date which the parties may agree in writing). During the Extension, the Parties will be discussing the proportion of equity interest to be acquired, which may not be the entire equity interest of the Target Company, and other terms of the Proposed Acquisition. In interest of the Extension and that no further sum of deposit is payable for the Extension, the Company and the Purchaser did not request for a refund of the paid Deposit. In the event that no Formal Agreement is reached upon the expiry of the Extension or if the Proposed Acquisition does not complete in accordance with the Formal Agreement, the Deposit is fully refundable without any deduction and interest within seven business days upon request by the Company or the Purchaser.

* *For identification purposes only*

The Directors (including independent non-executive Directors), taking into account among others of the length of the Extension and that no further consideration is payable for the Extension, consider the terms of the Supplemental MOU and the Extension which were determined after arm's length negotiations between the parties thereto, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholder as a whole.

LISTING RULES IMPLICATIONS

Mr. Dai, being a controlling shareholder (as defined in the Listing Rules) of the Company, is a connected person of the Company. As no monetary consideration is payable for the Supplemental MOU or the Extension, the Supplemental MOU and the transactions contemplated thereunder are exempt connected transactions of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from Mr. Dai Bin who has abstained from voting on the Board resolutions approving the Supplemental MOU in view of being an associate of Mr. Dai, no other Directors were in any way materially interested in and therefore no other Directors have to abstain from voting on the Board resolutions approving the Supplemental MOU.

The Board wishes to emphasise that the Proposed Acquisition may or may not proceed. If the Proposed Acquisition contemplated under the MOU (and as amended by the Supplemental MOU) materialises, it will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and subject to the terms of the Proposed Acquisition including the proportion of equity interest to be acquired being finalised, it may constitute a major acquisition of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in relation to the Proposed Acquisition as and when appropriate and comply with all applicable requirements under the Listing Rules.

By order of the Board
Renhe Commercial Holdings Company Limited
Wang Yan
Chairman

Hong Kong, 7 March 2019

As at the date of this announcement, the Board consists of Mr. Wang Yan and Mr. Dai Bin as executive directors, Mr. Yin Jianhong and Ms. Yang Yuhua as non-executive directors and Mr. Fan Ren-Da, Anthony, Mr. Wang Yifu, Mr. Leung Chung Ki and Mr. Tang Hon Man as independent non-executive directors.