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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)

(1) PROPOSED SHARE CONSOLIDATION AND (2) PROPOSED CHANGE OF COMPANY NAME

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.10 each.

PROPOSED CHANGE OF COMPANY NAME

The Board announces that the Company proposes to change its English name from “Renhe Commercial Holdings Company Limited” to “China Dili Group” and its dual foreign name in Chinese from “人和商業控股有限公司” to “中国地利集团”.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Change of Company Name. A circular containing, among other things, details of the Share Consolidation and the Change of Company Name together with a notice convening the EGM and the related proxy form will be despatched to the Shareholders on or before Thursday, 2 May 2019.

* For identification purposes only

PROPOSED SHARE CONSOLIDATION

Introduction

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,500,000,000 divided into 150,000,000,000 Existing Shares of HK\$0.01 each, of which 57,155,930,569 Existing Shares have been issued as fully paid or credited as fully paid. Assuming that no further Existing Shares are allotted, issued or repurchased between the date of this announcement and the date of the EGM, the authorised share capital of the Company will become HK\$1,500,000,000 divided into 15,000,000,000 Consolidated Shares of HK\$0.10 each, of which 5,715,593,056 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue immediately upon the Share Consolidation becoming effective.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation is not expected to alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled (details of which are set out in the paragraph headed “Fractional entitlement to Consolidated Shares” below).

Conditions of the Share Consolidation

The Share Consolidation will be subject to the following conditions:

- (1) the passing of an ordinary resolution by the Shareholders at the EGM approving the Share Consolidation; and
- (2) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfilment of the above conditions.

Listing and dealings

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares 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 Consolidated 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

The Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be, as at the date of this announcement.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In addition, according to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange, taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. In view of the recent trading price(s) of the Existing Shares and the value of each board lot of the Existing Shares being less than HK\$2,000, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange and allow the value of each board lot to be increased to more than HK\$2,000 and thereby complying with the above-mentioned trading requirements of the Stock Exchange.

OTHER ARRANGEMENTS

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Monday, 27 May 2019 until Thursday, 4 July 2019 (both days inclusive), submit the existing share certificates (in purple colour) for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange, at the expense of the Company, for new share certificates (in yellow colour) for the Consolidated Shares, on the basis of every ten (10) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share. Thereafter, existing share certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 to the Company's branch share registrar in Hong Kong (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Thursday, 4 July 2019, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the Company's branch share registrar in Hong Kong for exchange.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

Shareholders concerned about losing out any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant and/or other professional adviser and may wish to consider the possibility of buying or selling a sufficient number of Existing Shares to make up an entitlement to receive a whole number of Consolidated Shares.

Board lot size

The Existing Shares are currently traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 2,000 Consolidated Shares.

Based on the closing price of HK\$0.27 per Existing Share (equivalent to the theoretical closing price of HK\$2.70 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of the Existing Shares is HK\$540 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$5,400.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint Computershare Hong Kong Investor Services Limited as an agent to provide odd lot matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the arrangement relating to the matching service for odd lots will be set out in the circular to be despatched to the Shareholders. Shareholders with odd lot holdings of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is on a best efforts basis. Successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

EXPECTED TIMETABLE

The expected timetable for implementation of the Share Consolidation is set out below:

Event	2019
Despatch date of circular with notice of EGM	On or before Thursday, 2 May
Latest date and time for lodging transfers of the Existing Shares for attending and voting at the EGM	4:30 p.m. on Friday, 17 May
Closure of register of members for the entitlements to attend and vote at the EGM	Monday, 20 May to Friday, 24 May (both days inclusive)
Latest date and time for lodging form of proxy for the EGM	3:00 p.m. on Wednesday, 22 May
Expected date and time of the EGM.....	3:00 p.m. on Friday, 24 May

Publication of the announcement of voting results of the EGM.....Friday, 24 May

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation as set out in this announcement:

Event	2019
Expected effective date of the Share Consolidation	Monday, 27 May
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 27 May
Dealing in the Consolidated Shares commences.....	9:00 a.m. on Monday, 27 May

Event**2019**

Original counter for trading in the Existing Shares in board lot of 2,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 27 May
Temporary counter for trading in the Consolidated Shares in board lot of 200 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 27 May
Original counter for trading in the Consolidated Shares in board lot of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 11 June
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 11 June
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Tuesday, 11 June
Temporary counter for trading in board lot of 200 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Tuesday, 2 July
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on Tuesday, 2 July
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Tuesday, 2 July
Latest date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Thursday, 4 July

All times and dates specified in the timetable above refer to Hong Kong times and dates.

The timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.

PROPOSED CHANGE OF COMPANY NAME

Introduction

The Board announces that the Company proposes to change its English name from “Renhe Commercial Holdings Company Limited” to “China Dili Group” and its dual foreign name in Chinese from “人和商業控股有限公司” to “中国地利集团”.

CONDITIONS OF THE PROPOSED CHANGE OF COMPANY NAME

The Change of Company Name will be subject to the following conditions:

1. passing of the special resolution by the Shareholders at the EGM approving the Change of Company Name; and
2. approval being granted by the Registrar of Companies in Cayman Islands for the Change of Company Name.

The relevant filing with the Registrar of Companies in the Cayman Islands will be made after the passing of the special resolution at the EGM. Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date on which the Registrar of Companies in the Cayman Islands enters the new English name and dual foreign name in Chinese of the Company on the register of companies maintained by the Registrar of Companies in the Cayman Islands in place of the former English name and the dual foreign name in Chinese of the Company and issues a certificate of incorporation on change of name. Thereafter, the Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong.

EFFECTS OF THE CHANGE OF COMPANY NAME

The proposed Change of Company Name is not expected to affect any rights of the existing Shareholders nor the Company’s daily business operation and its financial position. All the existing share certificates of the Company in issue bearing the existing name of the Company will, upon the proposed Change of Company Name becoming effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery of such Shares. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates printed in the new names of the Company. Upon the proposed Change of Company Name becoming effective, all new share certificates will only be issued in the new English and Chinese names of the Company.

In addition, subject to the confirmation by the Stock Exchange, the English stock short name and the Chinese stock short name for trading of the Shares in the Stock Exchange will also be changed after the proposed Change of Company Name has become effective.

REASONS FOR THE CHANGE OF COMPANY NAME

The Board is of the view that the proposed new English name and the dual foreign name in Chinese of the Company will better reflect the trading name “Dili” of the agriculture wholesale markets of the Group and the Change of Company Name will provide the Group with a fresh new corporate identity and image and enhance the Company’s brand identity in the context of its future business development.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Change of Company Name. A circular containing, among other things, details of the Share Consolidation and the Change of Company Name, together with a notice convening the EGM and the related proxy form will be despatched to the Shareholders on or before Thursday, 2 May 2019.

The Company will make further announcement(s) to inform the Shareholders of, among others, the voting results of the EGM, the effective date of the Change of Company Name and the new English and Chinese stock short names of the Company under which the Shares will be traded on the Stock Exchange as and when appropriate.

WARNING

Shareholders should take note that the Share Consolidation and the Change of Company Name are conditional upon satisfaction of the respective conditions set out above. Therefore, the Share Consolidation and/or the Change of Company Name may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change of Company Name”	the proposed change of the English name of the Company from “Renhe Commercial Holdings Company Limited” to “China Dili Group” and its dual foreign name in Chinese from “人和商業控股有限公司” to “中国地利集团”
“Company”	Renhe Commercial Holdings Company Limited (Stock Code: 1387), a company incorporated in the Cayman Islands with limited liability, the shares of which is listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Change of Company Name
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company prior to the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholders”	registered holder(s) of the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the content may require
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 26 April 2019

As at the date of this announcement, the Board comprises 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.