

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 26 November 2013 (the “**Prospectus**”) issued by Yi Hua Department Store Holdings Limited (the “**Company**”).

This announcement is for information purposes only and does not constitute an invitation or offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Company and the Share Offer described below before deciding whether or not to invest in the Offer Shares.

This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States except pursuant to registration or an exemption from registration requirements under the United States Securities Act of 1933, as amended (the “**US Securities Act**”). The Public Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act. There will not and is not currently intended to be any public offering of securities in the United States.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited (“**HKSCC**”) take no responsibility for the contents of this announcement, 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 announcement.

If the final Offer Price as agreed between the Joint Bookrunners and the Company is less than HK\$1.12 and as a result, the size of the Share Offer is less than HK\$100 million, the Joint Bookrunners can only exercise the Offer Size Adjustment Option to cover over-allocations under the Share Offer and there will be no stabilisation action. Otherwise, if the agreed final Offer Price is equal to or more than HK\$1.12 and as a result, the size of the Share Offer is equal to or more than HK\$100 million, the Joint Bookrunners can only exercise the Over-allotment Option to cover over-allocations under the Share Offer and there may be stabilisation action. For further details of the Adjustment Option and stabilisation, please refer to the section headed “Structure of the Share Offer” of the Prospectus.

In connection with the Share Offer and subject to the size of the Share Offer being equal to or more than HK\$100 million as set out above, the Joint Stabilising Managers, their respective affiliates or any person acting for them, on behalf of the Joint Bookrunners, may effect transactions with a view on stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period beginning on the Listing Date and expected to end on the 30th day after the last day for lodging of applications under the Public Offer. However, there is no obligation on the Joint Stabilising Managers, their respective affiliates or any person acting for them to conduct any such stabilising action, which if commenced, will be done at the absolute discretion of the Joint Stabilising Managers and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last day for lodging of applications under the Public Offer. Such stabilisation action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules, as amended, made under the SFO.

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on Sunday, 29 December 2013, being the 30th day after the last day for lodging of applications under the Public Offer. After this date, no further stabilising action may be taken, and demand for the Shares and the price of the Shares could fall.



Yi Hua Department Store Holdings Limited

益華百貨控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING AND PUBLIC OFFER

- Number of Offer Shares : 90,000,000 Shares (subject to the Adjustment Option)
- Number of Placing Shares : 81,000,000 Shares (subject to reallocation and the Adjustment Option)
- Number of Public Offer Shares : 9,000,000 Shares (subject to reallocation)
- Offer Price : Not more than HK\$1.40 per Offer Share and expected to be not less than HK\$1.00 per Offer Share (payable in full on application plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% and subject to refund)
- Nominal value per Share : HK\$0.01
- Stock code : 2213

Sponsor

SUNWAH KINGSWAY
新華滙富

Kingsway Capital Limited

Joint Bookrunners and Joint Lead Managers

SUNWAH KINGSWAY
新華滙富

Kingsway Financial Services Group Limited



Upbest Securities Company Limited

Application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, (i) the Shares in issue; (ii) the Shares to be issued pursuant to the Share Offer, the Capitalisation Issue and any Shares which may fall to be issued upon the exercise of the Adjustment Option; and (iii) the Shares which may fall to be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme. The Share Offer comprises the Public Offer of initially 9,000,000 Shares, representing 10% of the total number of Shares initially being offered in the Share Offer (subject to reallocation), and the Placing of initially 81,000,000 Shares, representing 90% of the total number of Shares initially being offered in the Share Offer (subject to reallocation and the Adjustment Option). The allocation of the Shares between the Public Offer and the Placing is subject to reallocation as stated in the section headed “Structure of the Share Offer – Public Offer” of the Prospectus. In connection

with the Share Offer and pursuant to the Placing Underwriting Agreement, the Company expects to grant either an Offer Size Adjustment Option (which is exercisable at any time from the date of the Prospectus to the last Business Day prior to the Listing Date) or an Over-allotment Option (exercisable at any time from the Listing Date until the date falling the 30th day after the last day for the lodging of applications under the Public Offer) to the Joint Bookrunners but not both. The Adjustment Option to the Joint Bookrunners allows them to require the Company to issue up to 13,500,000 additional Shares, representing 15% of the number of Shares initially available under the Share Offer.

If the final Offer Price as agreed between the Joint Bookrunners and the Company is less than HK\$1.12 and as a result, the size of the Share Offer is less than HK\$100 million, the Joint Bookrunners can only exercise the Offer Size Adjustment Option to cover over-allocations under the Share Offer and there will be no stabilisation action. Our Company will disclose in its allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date. The allotment results announcement will be published on the Stock Exchange website at www.hkexnews.hk and our Company's website at www.yihua.com.cn.

Otherwise, if the agreed final Offer Price is equal to or more than HK\$1.12 and as a result, the size of the Share Offer is equal to or more than HK\$100 million, the Joint Bookrunners can only exercise the Over-allotment Option (exercisable at any time from the Listing Date until the date falling the 30th day after the last day for the lodging of applications under the Public Offer) to cover over-allocations under the Share Offer and there may be stabilisation action. For further details of the Adjustment Option and stabilisation, please refer to the section headed "Structure of the Share Offer" of the Prospectus. In the event that the Over-allotment Option is exercised, an announcement will be made.

Subject to the granting of listing of, and permission to deal in, our Shares on the Stock Exchange and the compliance by our Company with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date as HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Assuming the Share Offer becomes unconditional at or before 8:00 a.m. on Wednesday, 11 December 2013 in Hong Kong, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 11 December 2013.

The Offer Price will be not more than HK\$1.40 per Offer Share and is currently expected to be not less than HK\$1.00 per Offer Share unless otherwise announced. Applicants for Public Offer Shares are required to pay, on application, the maximum Offer Price of HK\$1.40 for each Offer Share together with a brokerage of 1.0%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%, subject to refund if the final Offer Price should be lower than HK\$1.40.

Applications for the Offer Shares will only be considered on the basis of the terms and conditions of the Prospectus and the related Application Forms. Applicants who would like to have the allocated Public Offer Shares issued in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have the allotted Public Offer Shares issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participants' stock accounts or the stock accounts of their designated CCASS Participants should (i) complete and sign the **YELLOW** Application Forms; or (ii) give electronic application instructions to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 26 November 2013, until 12:00 noon on Friday, 29 November 2013 at:

Kingsway Financial Services Group Limited
7th Floor, Tower 1, Lippo Centre
89 Queensway
Hong Kong

Upbest Securities Company Limited
2nd Floor Wah Kit Commercial Centre
302 Des Voeux Road Central
Hong Kong

or any of the following branches of The Bank of East Asia, Limited:

District	Branch name	Branch address
Hong Kong Island	Main Branch	10 Des Voeux Road Central, Hong Kong
	Causeway Bay Branch	46 Yee Wo Street
	399 Hennessy Road Branch	Ground Floor, Eastern Commercial Centre, 399 Hennessy Road, Wanchai
Kowloon	Yaumatei Branch	Ground Floor, 526 Nathan Road
	Waterloo Road Branch	Shop A, Ground Floor, Richland House, 77B & 77C Waterloo Road
	Tsim Sha Tsui Branch	Shop A & B, Milton Mansion, 96 Nathan Road
New Territories	Tai Po Branch	62-66 Po Heung Street, Tai Po Market
	Ha Kwai Chung Branch	202 Hing Fong Road

Copies of the **YELLOW** Application Forms, together with the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 26 November 2013 until 12:00 noon on Friday, 29 November 2013 at:

- (1) the depository counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong; or
- (2) your stockbroker, who may have such Application Forms and the Prospectus available.

Both **WHITE** and **YELLOW** Application Forms completed in all respects in accordance with the instructions printed thereon, to which cheques or banker's cashier orders payable to "**The Bank of East Asia (Nominees) Limited-Yi Hua Department Store Public Offer**" should be securely stapled, should be deposited in the special collection boxes provided at any of the branches of The Bank of East Asia, Limited referred to above on the following dates and during the following times:

Tuesday, 26 November 2013	–	9:00 a.m. to 5:00 p.m.
Wednesday, 27 November 2013	–	9:00 a.m. to 5:00 p.m.
Thursday, 28 November 2013	–	9:00 a.m. to 5:00 p.m.
Friday, 29 November 2013	–	9:00 a.m. to 12:00 noon

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 26 November 2013 until 12:00 noon on Friday, 29 November 2013. The application lists will open from 11:45 a.m. to 12:00 noon on Friday, 29 November 2013, the last application day (or such later time as described in the section headed "How to apply for the Public Offer Shares – Effect of bad weather conditions on the opening of the application lists" of the Prospectus). Please refer to the sections headed "Structure of the Share Offer" and "How to apply for the Public Offer Shares" in the Prospectus for details of the conditions and procedures of the Public Offer.

The Company expects to publish the announcement on the Offer Price, the level of applications in the Public Offer, the level of indications of interest in the Placing and the basis of allocation of the Public Offer Shares on Tuesday, 10 December 2013 in The Standard (in English) and the Hong Kong Economic Times (in Chinese), on the Company's website at www.yihua.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

Results of allocations of the Public Offer, the Hong Kong Identity Card/passport/Hong Kong business registration numbers of successful applicants (where appropriate) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS, will be made available through a variety of channels from Tuesday, 10 December 2013 as described in the section headed "How to Apply for the Public Offer Shares – Publication of results" of the Prospectus.

The Company will not issue temporary documents of title in respect of the Shares or receipt for sum paid on application. Share certificates will only become valid documents of title provided that the Share Offer has become unconditional in all respects and the Underwriting Agreements have not been terminated in accordance with their respective terms, which is expected to be at 8:00 a.m. on Wednesday, 11 December 2013.

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday, 11 December 2013. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 2213.

By Order of the Board of
Yi Hua Department Store Holdings Limited
Fan Xinpei
Chief executive officer and executive Director

Hong Kong, 26 November 2013

As at the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Su Weibing, Mr. Lin Guangzheng; the non-executive Directors are Mr. Chen Daren, Mr. Lu Hanxing; and the independent non-executive Directors are Mr. Sun Hong, Mr. Xu Yinzhou and Mr. Leung Wai Kwan.

Please also refer to the published version of this announcement in The Standard (in English) and the Hong Kong Economic Times (in Chinese).