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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)**

### **Voluntary Announcement**

## **Offer to Purchase for Cash and Consent Solicitation Relating to Any and All Outstanding 11.75% Senior Notes Due 2015 and 13.0% Senior Notes Due 2016**

Reference is made to the announcement of the Company dated 24 November 2014 (the “**Announcement**”) in relation to the Offers. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings ascribed to them in the **Announcement**.

This announcement is made by the Company on a voluntary basis to set forth details of the terms and conditions of the Offers as described in the **Announcement** for information purposes.

## TENDER OFFERS AND CONSENT SOLICITATIONS

On the date of the Announcement, the Company commenced a cash tender offer, on the terms and subject to the conditions set forth in the Company's Offer to Purchase and Consent Solicitation Statement dated 24 November 2014 (the "Offer to Purchase"), to purchase for cash, (i) any and all of its outstanding 11.75% Senior Notes Due 2015 (the "2015 Notes") (the "2015 Notes Tender Offer"), and (ii) any and all of its outstanding 13.0% Senior Notes Due 2016 (the "2016 Notes" and, together with the 2015 Notes, the "Notes") (the "2016 Notes Tender Offer" and, together with the 2015 Notes Tender Offer, the "Tender Offers"). In conjunction with the Tender Offers, the Company is also soliciting consents to certain proposed amendments to, and waivers of actual or potential defaults under, (the "Proposed Amendments and Waivers") the indentures governing the 2015 Notes and 2016 Notes, respectively (the "Consent Solicitation", together with the Tender Offers, the "Offers").

The Offer to Purchase more fully sets forth the terms of the Company's Tender Offer and Consent Solicitation. The pricing terms for the Offers are listed in the table below:

Security Description/ISIN/Cusip No./Common Code	Outstanding Principal Amount	Total Consideration	Purchase Price	Early Tender Payment	Early Consent Payment	Consent Payment
11.75% Senior Notes Due 2015	US\$300,000,000	US\$930 per US\$1,000	US\$880 per US\$1,000	US\$49.5 per US\$1,000	US\$0.4 per US\$1,000	US\$0.1 per US\$1,000
13.0% Senior Notes Due 2016	US\$600,000,000	US\$820 per US\$1,000	US\$770 per US\$1,000	US\$49.5 per US\$1,000	US\$0.4 per US\$1,000	US\$0.1 per US\$1,000

In addition to the Total Consideration, or the applicable Purchase Price and Consent Payment, in respect of the applicable series of Notes, as the case may be, payable to Holders of such series of Notes who validly tender and do not validly withdraw their Notes in the Offers in relation to their Notes, such Holders will receive accrued and unpaid interest with respect to the 2015 Notes and the 2016 Notes from the last interest payment date up to, but not including, the Tender Settlement Date. Holders who validly deliver Consents without tendering their Notes will not receive the above-mentioned accrued interest.

## PURPOSE AND REASONS FOR THE OFFERS

The principal purposes of the Offers are to acquire all outstanding Notes in order to reduce outstanding debt of the Company, to eliminate substantially all of the restrictive covenants and to modify certain events of defaults and other provisions in the Indentures, and waive any and all actual and potential defaults or events of default of the Notes that have occurred and are continuing under the Indentures and the Notes whether or not specifically described in the Offer to Purchase and Consent Solicitation Statement.

The Company believes the Offers are expected to provide a better recovery rate for the Holders since the Notes are structurally subordinated to all onshore debt and other payment obligations of the Company and subsidiaries. **In light of the current economic circumstances and in the event that there is no significant rebound in the commercial property sector in China in the near term, and 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 when due in 2015 and 2016 if the Offers are not successful.**

As part of the Offers, the Company is seeking Consents to the proposed amendments to the Indentures to eliminate substantially all of the restrictive covenants and certain events of default contained in the Indentures in order to give the Company the flexibility to incur additional debt, such as the bank loan financings with we plan to use to finance the Offers, and engage in certain business activities which may otherwise be in conflict with the Indentures.

## **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 drawdown 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 (as defined below) with respect to both 2015 Notes and 2016 Notes).

## **SOURCES OF FUNDING**

The funds required for the Company to consummate the Offers will be funded by (i) the committed bank loan financings, including a syndicated loan facility arranged by Deutsche Bank AG and a bilateral loan facility with the Industrial Bank Co., Ltd., Hong Kong Branch and (ii) proceeds from the Rights Issue.

The proceeds of the syndicated loan facility can only be used to finance the Offers (and pay certain related costs and expenses, and fund debt service reserve accounts). **The drawdown of the committed bank loan financings are subject to certain conditions, including the Conditions of the Offers having been fulfilled or waived by the Company (as the case may be).**

As stated in the Announcement, 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 (the “**Requisite Consent**”) 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; and (2) the Underwriting Agreement becoming unconditional and not terminated in accordance with its terms. The detailed conditions to the Underwriting Agreement are set out in the section headed “Conditions of the Underwriting Agreement” of the Announcement. **The Rights Issue is conditional upon the satisfaction or waiver of certain conditions, further details of which are set out in the section “Conditions of the Rights Issue” in the Announcement. Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed.**

The total net proceeds the Company would receive under the committed bank loan financings and Rights Issue are approximately US\$802 million, which would be sufficient to pay the total amounts under the Offers assuming all outstanding 2015 Notes and 2016 Notes are validly tendered at or prior to the applicable Consent Date.

## INDICATIVE TIMETABLE

### Calendar Date and Time

### Date

### Events

5:00 P.M., New York City time, on 8 December 2014, unless extended by the Company

Tender Withdrawal Deadline and Consent Date for the Notes

The last time and day for the Holders to tender their Notes (and thereby be deemed to deliver their Consents) in order to qualify for payment of the applicable Total Consideration on the applicable Settlement Date and the last time and day for the Holders who have tendered their Notes to withdraw such tenders.

The last time and day for the Holders to deliver their Consents (without tendering their Notes) in order to qualify for the payment of the applicable Total Consent Payment on the applicable Settlement Date and the last time and day for the Holders who delivered their Consents (without tendering their Notes) to revoke such Consents.

**Calendar Date and Time**

<b>Calendar Date and Time</b>	<b>Date</b>	<b>Events</b>
5:00 P.M., New York City time, on 30 December 2014, unless extended by the Company	Expiration Date for the Notes	<p>The last time and day for Holders to tender their Notes in order to qualify for the payment of the applicable Purchase Price and Consent Payment on the applicable Settlement Date, which does not include the applicable Early Tender Payment or Early Consent Payment.</p> <p>The last time and day for the Holders to deliver their Consents in order to qualify for the payment of the applicable Consent Payment on the applicable Settlement Date, which does not include the Early Consent Payment.</p>
Promptly following the Consent Date, but after the satisfaction or waiver of the Conditions to the Offers	Acceptance Date for the Notes and Supplemental Indenture Execution Date	The date on which the Company accepts all Notes validly tendered at or prior to the applicable Expiration Date and the applicable Supplemental Indenture is expected to be executed, provided that the Requisite Consents have been obtained.
Within five business days (excluding Saturday, Sunday or public holidays in either New York City or Hong Kong) following the applicable Expiration Date	Settlement Date	The date on which the Company will deposit the amount of cash necessary to pay each tendering Holder in respect of Notes accepted by the Company, and to pay each consenting Holder who did not tender their Notes but delivered Consents to the applicable Proposed Amendments and Waivers.

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. 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.

## **FORWARD-LOOKING STATEMENTS**

Forward-looking statements in this announcement, including those statements relating to the Offer, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

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

By order of the board of directors of  
**Renhe Commercial Holdings Company Limited**  
**Dai Yongge**  
*Chairman*

Hong Kong, 3 December 2014

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

\* *For identification purposes only*