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The communication of this announcement and any other document or materials relating to the issue of the New Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "Relevant Persons"). In the United Kingdom, the New Bonds offered hereby are only available to, and any investment or investment activity to which this announcement relates will be engaged in only with, Relevant Persons. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this announcement or any of its content.



GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 493)

(1) EXCHANGE OFFER FOR OUTSTANDING EXISTING BONDS

(ISIN (Reg S): XS1556170394, Common Code (Reg S): 155617039)

AND

(2) PROPOSED ISSUANCE OF NEW BONDS

On 6 November 2019, the Company commenced the Exchange Offer with respect to the Exchange Cap of the outstanding Existing Bonds held by non-U.S. persons outside the United States. The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum.

The Company has mandated Barclays as the Dealer Manager in relation to the Exchange Offer. The Company has also mandated D.F. King as Information and Exchange Agent for the Exchange Offer. For detailed descriptions of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company is conducting a Concurrent New Money Issuance. The completion of the Concurrent New Money Issuance is subject to market conditions. If the Concurrent New Money Issuance is consummated, the Company will use the net cash proceeds from the Concurrent New Money Issuance for the purpose of refinancing the Existing Bonds and certain of the Company's other existing indebtedness subject to the release condition (as defined in the terms and conditions of the New Bonds) having been satisfied by the Company.

Upon issuance, any Additional New Bonds sold in the Concurrent New Money Issuance will be on the same terms and form a single series with the corresponding New Bonds issued in the Exchange Offer.

Depending on market conditions, the Company may exercise its redemption rights under the trust deed governing the Existing Bonds.

The Company will seek a listing of the New Bonds on the SGX-ST. Application will be made to the SGX-ST for the listing and quotation of the New Bonds on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Bonds on, the SGX-ST are not to be taken as an indication of the merits of the New Bonds or the Company. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the New Bonds has been sought in Hong Kong.

Shareholders, Eligible Holders of the Existing Bonds and potential investors should note that completion of the Exchange Offer and the Concurrent New Money Issuance is subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance as set forth in the Exchange Offer Memorandum and summarized in the announcement. No assurance can be given that the Exchange Offer and the Concurrent New Money Issuance will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and the Concurrent New Money Issuance with or without conditions.

The Company may, in its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance. As the Exchange Offer and the Concurrent New Money Issuance may or may not proceed, shareholders, holders of the Existing Bonds and potential investors should exercise caution when dealing in the securities of the Company or the Existing Bonds.

To participate in the Exchange Offer, an Eligible Holder must either hold such Existing Bonds through a direct participant in Euroclear or Clearstream or arrange for the transfer of its Existing Bonds so that they are held through a Euroclear or Clearstream direct participant. U.S. PERSONS (AS DEFINED UNDER REGULATION S) AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING BONDS IN THE EXCHANGE OFFER.

THE EXCHANGE OFFER

Introduction

The Company is offering to exchange its Existing Bonds held by Eligible Holders in accordance with the terms and conditions as set out in the Exchange Offer Memorandum and as summarized under the “Summary of Terms of the Exchange Offer” section below.

The Exchange Offer is subject to certain conditions as described in the Exchange Offer Memorandum, including an affirmative determination by the Company that consummating any Exchange Offer is in its best interests.

Notwithstanding anything to the contrary contained herein, but subject to applicable law, the Company may, in its sole and absolute discretion, terminate, waive, extend, amend or modify the Exchange Offer, in each case in whole or in part, at any time before the Settlement Date.

In addition to the Exchange Offer, the Company is conducting a separate Concurrent New Money Issuance to issue and sell Additional New Bonds. The completion of the Concurrent New Money Issuance is subject to market conditions. If the Concurrent New Money Issuance is consummated, the Company will use the net cash proceeds from the Concurrent New Money Issuance for the purpose of refinancing the Existing Bonds and certain of the Company’s other existing indebtedness subject to the release condition (as defined in the terms and conditions of the New Bonds) having been satisfied by the Company. Barclays is acting as the sole global coordinator, joint bookrunner and joint lead manager and, together with BOCOM International as the joint bookrunner and joint lead manager in connection with the Concurrent New Money Issuance.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in the United States or to any U.S. person (as defined under Regulation S). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to any U.S. person (as defined under Regulation S) or any other jurisdiction where it is unlawful to offer such securities, including the New Bonds and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration.

The New Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to any U.S. person (as defined under Regulation S).

The New Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA.

Summary of Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange its Existing Bonds up to the Exchange Cap for the Exchange Consideration.

Eligible Holders of the Existing Bonds validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Bonds (other than the right to receive the relevant components of the applicable Exchange Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Bonds, including any and all accrued and unpaid interest thereon.

Exchange Consideration

For each US\$1,000 principal amount of outstanding Existing Bonds that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder of such Existing Bonds will receive the Exchange Consideration consisting of: (a) US\$1,010 in aggregate principal amount of the New Bonds, (b) Accrued Interest and (c) subject to the requirement that any New Bonds issued to any Eligible Holder be in a minimum principal amount of US\$200,000 and integral multiples of US \$1,000 in excess thereof, in the event that such Eligible Holder is entitled to receive any New Bonds in a principal amount that is not an integral multiple of US\$1,000, cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the New Bonds equal to the principal amount of the New Bonds not issued (after rounding downward the amount of the New Bonds to the nearest multiple of US\$1,000).

Interest Rate

The Company will announce the minimum yield of the New Bonds on or about 8 November 2019. The final interest rate of the New Bonds is expected to be set at the pricing of the Concurrent New Money Issuance.

Summary Timetable

The following summarises the anticipated timetable for the Exchange Offer. This summary is qualified in its entirety by the Company's sole and absolute discretion to any extension, and the right to terminate the Exchange Offer at any time prior to its expiration. All references below are to Hong Kong time, unless otherwise stated.

Date	Event
6 November 2019	Commencement of the Exchange Offer and announcement through Euroclear or Clearstream and via the Exchange Website, the Stock Exchange and the SGX-ST. Exchange Offer Memorandum delivered to Eligible Holders of the Existing Bonds who are non-U.S. persons outside the United States.
On or about 8 November 2019	Announcement of the minimum yield of the New Bonds.
13 November 2019	Exchange Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Bonds who validly tender Existing Bonds are, subject to the Exchange Cap, eligible to receive the relevant Exchange Consideration, as this is the last date and time for holders of the Existing Bonds to participate in the Exchange Offer.

As soon as practicable after the Exchange Expiration Deadline	Announcement of (i) the amount of tenders for exchange received prior to the Exchange Expiration Deadline, and the final total aggregate principal amount of New Bonds to be issued to Eligible Holders in exchange for the Existing Bonds validly tendered, received and exchanged, (ii) determination of final interest rates and yield of the New Bonds and (iii) pricing of the Concurrent New Money Issuance (if any).
On or about 21 November 2019	Settlement of the New Bonds, delivery of Exchange Consideration to the Eligible Holders whose Existing Bonds have been validly tendered and accepted for exchange.
On or about 22 November 2019	Listing and quotation of the New Bonds on the SGX-ST.

Procedures for Tendering Existing Bonds

To participate in the Exchange Offer, an Eligible Holder must either hold such Existing Bonds through a direct participant in Euroclear or Clearstream or arrange for the transfer of its Existing Bonds so that they are held through a Euroclear or Clearstream direct participant. U.S. PERSONS (AS DEFINED IN REGULATION S) AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING BONDS IN THE EXCHANGE OFFER.

To participate in the Exchange Offer, each Eligible Holder must validly tender its Existing Bonds for exchange prior to the Exchange Expiration Deadline pursuant to the procedures described in the Exchange Offer Memorandum.

Each of the Existing Bonds being tendered for exchange may only be tendered in Permitted Denominations, without taking into account any Accrued Interest. The principal amount of each of the New Bonds to be issued to any Eligible Holder may only be in Permitted Denominations, after taking into account any Accrued Interest.

Instructions in connection with the Exchange Offer are irrevocable.

Conditions to the Exchange Offer

The obligation of the Company to consummate the Exchange Offer is conditional upon the following:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in its best interests; and
- the satisfaction of the other conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Purpose of the Exchange Offer and Use of Proceeds

The principal purpose of the Exchange Offer is to refinance the Existing Bonds and improve the debt structure of the Company to enable the Group to develop more steadily and to strengthen its balance sheets and cash flows management.

The Company will not receive any cash proceeds from the Exchange Offer.

CONCURRENT NEW MONEY ISSUANCE

Introduction

The Company is conducting a separate concurrent offering to issue and sell Additional New Bonds to Eligible Holders. The completion of the Concurrent New Money Issuance is subject to market conditions. If the Concurrent New Money Issuance is consummated, the Company will use the net cash proceeds from the Concurrent New Money Issuance for the purpose of refinancing certain existing indebtedness, including the Existing Bonds, of the Group. Barclays is acting as the sole global coordinator, joint bookrunner and joint lead manager and, together with BOCOM International as the joint bookrunner and joint lead manager in connection with the Concurrent New Money Issuance.

Upon issuance, any Additional New Bonds sold in the Concurrent New Money Issuance will be on the same terms and form a single series with the corresponding New Bonds issued in the Exchange Offer.

Depending on market conditions, the Company intends to exercise its redemption rights under the trust deed governing the Existing Bonds.

The Company expects to announce the pricing terms of the Concurrent New Money Issuance as soon as practicable following any such pricing or, if the Company decides not to proceed with the Concurrent New Money Issuance (or any portion thereof), the Company will announce such decision as soon as practicable following such decision being made. Pricing of the Concurrent New Money Issuance is expected to occur as soon as practicable after the Exchange Expiration Deadline. However, there can be no assurance that the Concurrent New Money Issuance will price at all, and, if it does price, whether it will price with respect to any of the Additional New Bonds offering.

Reason for the Concurrent New Money Issuance

The Concurrent New Money Issuance is being conducted to refinance the Existing Bonds and certain of the Company's other existing indebtedness subject to the release condition (as defined in the terms and conditions of the New Bonds) having been satisfied by the Company.

Listing of the New Bonds

The Company will seek a listing of the New Bonds on the SGX-ST. Application will be made to the SGX-ST for the listing and quotation of the New Bonds on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Bonds on, the SGX-ST are not to be taken as an indication of the merits of the New Bonds or the Company. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. No listing of the New Bonds has been sought in Hong Kong.

FURTHER DETAILS

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company has retained D.F. King as the Information and Exchange Agent for the Exchange Offer. To contact D.F. King in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7231 or via email at GOME@dfkingltd.com.

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/GOME>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above contact points.

INFORMATION ABOUT THE COMPANY

The Company is one of China's largest electrical appliance, consumer electronics and home solutions retailers in terms of total retail sales in 2018, with a focus on providing one-stop home solutions to customers. The principal business of the Group is the sale of electrical appliances, consumer electronic products and other home solutions products and services through a network of retail stores and e-commerce platforms. The Group offers a diversified range of products to all of its target customer groups. The scale, leadership positions, breadth of businesses and diversified distribution channels of the Group have allowed the Group to develop strong, long-standing relationships with suppliers and enjoy economies of scale. Leveraging over 30 years of operating experience, the Group is developing a retail ecosystem centered on the "Home • Living (家•生活)" strategy and target to become a one-stop home, service and supply chain solutions provider.

Founded in 1987, through 32 years of operation, the Company has grown to become one of the market leaders in the home appliance retail industry in China with scale. As of 30 June 2019, the Group operated a total of 2,400 stores, spanning 776 cities across China, and 2,186 warehouses with an aggregate area of approximately 3.0 million square meters.

GENERAL

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Company or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Existing Bonds and/or the New Bonds, changes in the business and financial condition of the Company and its subsidiaries, changes in the property industry and changes in the capital markets in general.

The Company plans to issue the New Bonds in exchange for Existing Bonds validly submitted for exchange and accepted pursuant to the Exchange Offer on or about the Settlement Date.

The distribution of the Exchange Offer Memorandum is restricted by law in certain jurisdictions. Persons who come into possession of the Exchange Offer Memorandum are required to inform themselves of and to observe any of these restrictions. The Exchange Offer Memorandum does not constitute, and may not be used in connection with, an offer to buy Existing Bonds or New Bonds or a solicitation to sell Existing Bonds by anyone in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or a solicitation. The Company will not accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

No assurance can be given that the Exchange Offer will be completed and the Company reserves the right, in its sole and absolute discretion, to extend, withdraw or terminate the Exchange Offer and amend, modify or waive any of the terms and conditions of the Exchange Offer, in each case in whole or in part, at any time before their expiration dates. As the Exchange Offer may or may not proceed, noteholders, holders of Existing Bonds and potential investors in any securities of the Company should exercise caution when dealing in the securities of the Company.

No PRIIPs key information document (KID) has been prepared as the New Bonds are not available to retail investors in the EEA.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Accrued Interest”	accrued and unpaid interest on any Existing Bonds validly tendered and accepted for exchange, up to but not including the Settlement Date, which will be paid in cash;
“Additional New Bonds”	the new senior bonds to be issued by the Company pursuant to the Concurrent New Money Issuance;
“Barclays”	Barclays Bank PLC;
“Board”	the board of Directors;

“BOCOM International”	BOCOM International Securities Limited;
“Clearstream”	Clearstream Banking S.A.;
“Company”	GOME Retail Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 493);
“Concurrent New Money Issuance”	a concurrent offering by the Company to issue and sell Additional New Bonds that will form a single series with the New Bonds issued in the Exchange Offer;
“Dealer Manager”	Barclays;
“Directors”	the directors of the Company;
“EEA”	European Economic Area;
“Eligible Holders”	Holders of the Existing Bonds who are non-U.S. persons (as those terms are defined under Regulation S) located outside the United States and hold the Existing Bonds through Euroclear or Clearstream, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Existing Bonds through Euroclear or Clearstream;
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Cap”	US\$200,000,000, subject to increase, decrease or waiver at the Company’s discretion;
“Exchange Consideration”	the exchange consideration for the Existing Bonds, details of which are set out in the section entitled “Exchange Consideration for the Existing Bonds” in this announcement;
“Exchange Expiration Deadline”	4:00 p.m., London time, on 13 November 2019, unless extended, amended or earlier terminated in the sole discretion of the Company;
“Exchange Offer”	the offer made by the Company to exchange the Existing Bonds upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the exchange offer memorandum dated the date of this announcement in relation to the Exchange Offer;
“Existing Bonds”	the Company’s outstanding 5.0 per cent. Bonds due 2020 (ISIN/Common Code: XS1556170394/155617039);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Information and Exchange Agent”	D.F. King, the information and exchange agent for the Exchange Offer;
“New Bonds”	the new US\$ denominated senior bonds due 2021 to be issued by the Company to be exchanged in accordance with the Exchange Offer for those Existing Bonds that are accepted for exchange by the Company;
“Permitted Denominations”	US\$200,000 and integral multiples of US\$1,000 in excess thereof;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“PRIIPs”	Packaged retail and insurance-based investment products (2002/92/EC);
“Regulation S”	Regulation S under the U.S. Securities Act;
“Settlement Date”	the date of settlement which is expected to occur on or about the fifth business day following the Exchange Expiration Deadline, unless the Exchange Offer is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollar, the lawful currency of the United States of America;
“U.S.” or “United States”	United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“%”	per cent.

By Order of the Board
GOME Retail Holdings Limited
Zhang Da Zhong
Chairman

6 November 2019

As of the date of this announcement, the Board comprises Mr. Zou Xiao Chun as executive director, Mr. Zhang Da Zhong, Ms. Huang Xiu Hong and Mr. Yu Sing Wong as non-executive directors, and Mr. Lee Kong Wai, Conway, Ms. Liu Hong Yu and Mr. Wang Gao as independent non-executive directors.

* *For identification purpose only.*