

## CMBI Credit Commentary - EHOUSE

### EHOUSE – The Exchange

Ehouse proposed an exchange offer for both EHOUSE 7.625 '22 (O/S USD 300mn) and EHOUSE 7.6 '23 (O/S USD 300mn) due 18 Apr '22 and 10 Jun '23. According to the Exchange Offer, Holders of both notes will receive 6pts upfront principal repayment, and exchange 94pts of principal amount into new notes (coupon rate is 8%) to be matured on 14 Apr '25. The exchange is conditional upon valid tender of 90% of principal amount of '22 notes and '23 notes. If the 90% Minimum Acceptance Ratio is not satisfied, the company may proceed with a Restructuring under RSA, to be implemented via the Cayman Scheme.

#### Summary of the Exchange Offer

- Upfront repayment: 6pts
- Accrued Interest: paid in cash
- New notes: 94pts in principal amount
- Coupon of new notes: 8% (company can elect 6% interest in PIK within 12 months after new notes issuance date)
- Minimum acceptance amount: 90% in principal amount of each of the original bonds
- Deadline: 11 Apr'22
- New subsidiary guarantors: CRIC Holdings Limited and CRIC Holdings (HK) Limited. CRIC Holdings is the offshore company owning onshore operation of CRIC consulting with revenue scale of RMB 920mn in 2021. In addition, upon Alibaba's approval, TM Home (天貓好房) will also become JV guarantor of the New Notes; but TM Home has yet to record net profit given it is in ramp up stage.

#### Concurrent support to RSA for valid tender for Exchange Offer

To validly tender for Exchange and Consent, Noteholders must concurrently complete and submit a duly executed Accession Deed and Restricted Notes Notice to the RSA. If the Exchange Offer is terminated, noteholders will receive Instruction Fee if the Restructuring is launched and successfully completed.

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## Summary of Restructuring Support Agreement

- Instruction Fee: 1pt
- Cash consideration: 6pts
- New Notes: 94pts in principal amount
- Accrued Interest: in cash up to 18 Apr '22
- Accrued Interest: in new notes from 18 Apr '22 up to Restructuring Effective Date
- Long Stop Date: 6 months after Exchange Expiration Deadline

## The consent solicitation

At the same time, Ehouse solicits the consent to amend the terms of both USD notes to waive cross-default. The approval threshold is 50% of principal amount of each notes. The subsequent launch of Restructuring under RSA is to minimize hold-outs in our opinion, if the Exchange Offer lapses.

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