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## **GOME ELECTRICAL APPLIANCES HOLDING LIMITED**

**國美電器控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 493)**

**Lead Manager**

**J.P.Morgan**

### **PROPOSED ISSUE OF RMB DENOMINATED USD SETTLED 3% COUPON CONVERTIBLE BONDS DUE 2014 CONVERTIBLE INTO ORDINARY SHARES OF GOME ELECTRICAL APPLIANCES HOLDING LIMITED**

The Board is pleased to announce that on 23 September 2009, the Lead Manager has exercised the option to require the Company to issue the Exercised Optional Bonds.

Reference is made to the announcement of GOME Electrical Appliances Holding Limited (the “**Company**”) dated 23 September 2009 (the “**Announcement**”). Unless otherwise defined, all capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

#### **EXERCISE OF OPTION TO ISSUE THE EXERCISED OPTIONAL BONDS**

The Board is pleased to announce that on 23 September 2009, the Lead Manager has exercised the option to require the Company to issue the Optional Bonds in part, amounting to an aggregate principal amount of RMB307.2 million, to be settled in US Dollars (the “**Exercised Optional Bonds**”).

The gross proceeds from the Exercised Optional Bonds is US\$45.0 million, and the Company will receive net proceeds in the amount of US\$44.1 million from the issue of the Exercised Optional Bonds, which will bring the total gross proceeds from the Firm Bonds and the Exercised Optional Bonds to US\$345.2 million, and the total net proceeds from the Firm Bonds and the Exercised Optional Bonds to US\$337.5 million. The additional proceeds from the Exercised Optional Bonds will be used for redemption and repurchase of the 2014 Convertible Bonds and for the Group's general corporate purposes.

Based on an initial Conversion Price of HK\$2.838 and assuming full conversion of the Firm Bonds and the Exercised Optional Bonds at the initial Conversion Price, the Firm Bonds and the Exercised Optional Bonds will be convertible into 942,796,941 Shares (being the aggregate of 819,927,766 Shares to be converted from the Firm Bonds and 122,869,175 Shares from the Exercised Optional Bonds), representing approximately 6.26% of the issued share capital of the Company as at the date of this announcement and approximately 5.89% of the issued share capital of the Company as enlarged by the full conversion of the Firm Bonds and the Exercised Optional Bonds, assuming that there is no conversion of the 2014 Convertible Bonds and the 2016 Convertible Bonds, and the outstanding Warrants are not exercised. The Shares to be issued upon conversion of the Firm Bonds and the Exercised Optional Bonds will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.

The Exercised Optional Bonds will be issued upon the same terms and conditions of the Bonds as disclosed in the Announcement.

## **FUND RAISING IN THE PAST 12 MONTHS**

Save for the open offer of shares made pursuant to the prospectus dated 13 July 2009 (the “**Open Offer**”) and the issue of the 2016 Convertible Bonds, the Company has not carried out any capital fund raising activities in the 12 months preceding the date of this announcement.

The actual and intended use of proceeds of the Open Offer and the issue of the 2016 Convertible Bonds of approximately HK\$3,236 million, raised by the Company from the capital raising activities during the 12 months immediately preceding the date of this announcement are summarised below, which is in line with the intended use of proceeds as disclosed in the relevant prospectus and announcements of the Company:

<b>Date of Prospectus/ Announcements</b>	<b>Capital Raising Activity</b>	<b>Net Proceeds Raised (HK\$)</b>	<b>Intended Use of Proceeds</b>	<b>Actual Use of Proceeds (HK\$)</b>	<b>Amounts Not Yet Utilised and Intended Use (HK\$)</b>	<b>How Unutilised Amounts Have Been Dealt with by the Company</b>
Prospectus dated 13 July 2009	Open Offer and Issue of 2016 Convertible Bonds	3,236 million	(a) for general working capital purposes of the Group, and Beijing Dazhong Home Electrical Appliances Retail Co. Ltd., a chain of electrical appliances retail stores managed by the Group since December 2007 and its subsidiaries; and (b) in connection with the 2014 Convertible Bonds	1,270 million, which have been used for the purposes set out under the column “Intended Use of Proceeds” of this table	1,966 million, which are intended to be used for the purposes set out under the column “Intended Use of Proceeds” of this table	Currently held in bank deposits

By Order of the Board of  
**GOME Electrical Appliances Holding Limited**  
**Chen Xiao**  
*Chairman and President*

24 September 2009

*As at the date of this announcement, the Board of the Company comprises Mr. Chen Xiao, Mr. Ng Kin Wah, Mr. Wang Jun Zhou, Ms. Wei Qiu Li and Mr. Sun Yi Ding as executive directors; Mr. Zhu Jia, Mr. Ian Andrew Reynolds and Ms. Wang Li Hong as non-executive directors; and Mr. Sze Tsai Ping, Michael, Mr. Chan Yuk Sang and Mr. Thomas Joseph Manning as independent non-executive directors.*

\* *For identification purpose only*