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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)**

### **ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

GOME Electrical Appliances Holding Limited (the “Company”) announced that on 25 February 2010, GOME Appliance Company Limited (國美電器有限公司), a wholly owned PRC subsidiary of the Company (the “Subsidiary”), received a copy of indictment (the “Indictment”) in respect of an alleged bribery offence by organization (單位行賄罪) served by the Second Intermediate People’s Court of Beijing Municipality.

According to the Indictment, the bribery offence by organization which the Subsidiary was alleged to be involved occurred from 2006 to 2008, during which time, Mr. Wong Kwong Yu was the Chairman and director of the Company and the legal representative of the Subsidiary. The Subsidiary was one of the subjects alleged to be involved in the bribery offence by organization, and was suspected of committing the offence involving part of the aggregate amount of RMB4,560,000. Upon receipt of the Indictment, the Company has been highly concerned about the case and has engaged an experienced criminal defence attorney as the Subsidiary’s advocate. The Company will actively defend against the accusation at the Subsidiary.

After considering the professional opinion from such criminal defence attorney, the Company is of the preliminary view that even under the worst case scenario of the Subsidiary being finally judged as having committed the bribery offence by organization, the Subsidiary would only be subject to a fine according to the relevant laws of the People’s Republic of China (the “PRC”), the amount of which would not have any substantive adverse effect on the operation and the financial condition of the Company and all its subsidiaries (the “Group”). The Company will actively contest the case and strive for the most favorable judgment for the Company.

According to the Indictment, Mr. Wong Kwong Yu was suspected of committing offences involving insider dealing, illegal operation and bribery by organization and was subject to residential surveillance by the Beijing Municipal Public Security Bureau on 18 November 2008 for being suspected of committing insider dealing offence. He was subject to criminal detention by Beijing Municipal Public Security Bureau on 23 January 2009, and was arrested on 2 March 2009 upon approval by the Second Branch of the Beijing Municipal People’s Procuratorate. His term of detention regarding being suspected of committing bribery offence by organization was recalculated by the Beijing Municipal Public Security Bureau on 17 December 2009.

Before the receipt of the Indictment by the Subsidiary, neither the Company nor any of its subsidiaries have received any written legal document from any regulatory, government or judicial authorities in the PRC in relation to the Company or any of its subsidiaries being suspected of committing criminal offences or being under government investigation.

Since Mr. Wong Kwong Yu was under investigation by the relevant departments of the PRC, he had resigned as chairman and director of the Company and legal representative of the Subsidiary, and Mr. Chen Xiao was appointed as the Chairman of the Company. In addition, the Company performed an internal audit and also appointed external professional advisers to assess the financial position and internal control system of the Company. According to the results of the internal audit and the review by the external professional advisers on the financial position of the Company, there had not been any material deficiencies in the internal control system of the Group and the management of the Company had not identified any incidents of funds or assets of the Group being misappropriated and used for bribing the personnel of relevant government authorities as alleged in the Indictment.

Currently, the Board and the management of the Company are stable and the Company maintains normal operation. The Board of the Company considers that the Subsidiary's involvement in the litigation would not have any material impact on the operation of the Company.

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

1 March 2010

*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*