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If you have sold or transferred all your securities in GOME Electrical Appliances Holding Limited, you should at once hand this circular to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or to the transferee.

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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)

**PROPOSED RE-ELECTION OF DIRECTORS
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the "Annual General Meeting") of GOME Electrical Appliances Holding Limited (the "Company") to be held at Taishan Room, 5th Floor, Island Shangri-La, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Tuesday, 11 May 2010 at 2:30 p.m. is set out on pages 16 and 20 of this circular. A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

* *For identification purpose only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Introduction	3
Proposed Re-election of Directors	4
Proposed Grant of General Mandates to Issue and Repurchase Shares	4
Annual General Meeting	5
Responsibility Statement	5
Recommendations	6
Appendix I — Biographical Details of Directors Proposed for Re-election	7
Appendix II — Explanatory Statement for the Proposed Repurchase Mandate	13
Notice of Annual General Meeting	16

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Taishan Room, 5th Floor, Island Shangri-La, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on 11 May 2010 at 2:30 p.m. or any adjournment thereof
“associates”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	GOME Electrical Appliances Holding Limited, an exempted company incorporated in Bermuda with limited liability and the securities of which are listed on the main board of the Stock Exchange
“controlling shareholder”	has the same meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Existing Issue Mandate”	the general and unconditional mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2009 to exercise all the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 30 June 2009
“Existing Repurchase Mandate”	the general and unconditional mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2009 to exercise all the powers of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 30 June 2009
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	9 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution approving such mandate
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution approving such mandate
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.



GOME ELECTRICAL APPLIANCES HOLDING LIMITED

國美電器控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 493)

Executive Directors:

CHEN Xiao (*Chairman*)

NG Kin Wah

WANG Jun Zhou

WEI Qiu Li

SUN Yi Ding

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Non-executive Directors:

ZHU Jia

Ian Andrew REYNOLDS

WANG Li Hong

*Principal place of
business in Hong Kong:*

Unit 6101, 61st Floor

The Center

99 Queen's Road Central

Hong Kong

Independent Non-executive Directors:

SZE Tsai Ping, Michael

CHAN Yuk Sang

Thomas Joseph MANNING

12 April 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF DIRECTORS
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with information in respect of ordinary resolutions to be proposed at the Annual General Meeting relating to, *inter alia*, (i) re-election of Directors; and (ii) grant of the Proposed Issue Mandate and the Proposed Repurchase Mandate.

* *For identification purpose only*

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

The Board currently consists of 11 Directors, namely Mr. Chen Xiao, Mr. Ng Kin Wah, Mr. Wang Jun Zhou, Ms. Wei Qiu Li and Mr. Sun Yi Ding being the executive Directors; Mr. Zhu Jia, Mr. Ian Andrew Reynolds and Ms. Wang Li Hong being the non-executive directors; Mr. Sze Tsai Ping, Michael, Mr. Chan Yuk Sang and Mr. Thomas Joseph Manning being the independent non-executive Directors.

Pursuant to Bye-Law 99(A) of the Bye-Laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, except for the Director holding office as chairman or managing director of the Company. Pursuant to paragraph A4.2 of the Code on Corporate Governance Practices annexed as Appendix 14 to the Listing Rules, each Director (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years. Pursuant to Bye-Law 99(B) of the Bye-Laws, a retiring Director shall be eligible for re-election. Accordingly, pursuant to Bye-Laws 99(A) and 99(B) of the Bye-Laws, Mr. Ng Kin Wah, Mr. Sze Tsai Ping, Michael and Mr. Chan Yuk Sang will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. In addition, pursuant to Bye-Law 102(B) of the Bye-Laws, any Director appointed to fill a casual vacancy to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that general meeting (but shall not be taken into account in determining the Directors or number of Directors who are to retire by rotation at such meeting). Accordingly, Mr. Zhu Jia, Mr. Ian Andrew Reynolds and Ms. Wang Li Hong who were appointed as Directors pursuant to Bye-Law 102(B) of the Bye-Laws will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Brief biographical details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 30 June 2009, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, *inter alia*, they are revoked or varied by ordinary resolutions of the Shareholders in a general meeting.

Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4 and 5 in the notice of the Annual General Meeting respectively will be proposed at the Annual General Meeting. As at the Latest Practicable Date, the number of Shares in issue was 15,055,331,848 Shares. Subject to the passing of the resolution granting the Proposed Issue Mandate and on the basis that no further

LETTER FROM THE BOARD

Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 3,011,066,369 Shares, representing 20% of the 15,055,331,848 issued Shares, upon the exercise of the Proposed Issue Mandate. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 1,505,533,184 Shares, representing 10% of the 15,055,331,848 issued Shares, upon exercise of the Proposed Repurchase Mandate.

The Proposed Issue Mandate and the Proposed Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Proposed Issue Mandate and the Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 20 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the Annual General Meeting shall be voted by poll.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers (i) the proposed re-election of Directors; and (ii) the granting of the Proposed Issue Mandate and the Proposed Repurchase Mandate are in the interests of the Company and Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
GOME Electrical Appliances Holding Limited
Chen Xiao
Chairman and President
12 April 2010

The biographical details of the Directors proposed for re-election at the Annual General Meeting are set out as follows:

EXECUTIVE DIRECTOR

Mr. NG Kin Wah, aged 50, has been an executive Director of the Company since September 2000. Mr. Ng also serves as a director of various subsidiaries of the Company. Mr. Ng has over 20 years of experience in securities investment and is well-versed in corporate finance. Mr. Ng is a fellow member of the Hong Kong Institute of Directors Limited. With effect from 13 July 2009, Mr. Ng was appointed as a director of Shinning Crown Holdings Inc. and Shine Group Limited, both of which are wholly owned by Mr. Wong Kwong Yu, a substantial shareholder of the Company.

Save as disclosed above, Mr. Ng has not held any directorships in any other listed public companies and other major appointments and qualifications during the last three years.

Other than the directorship in the Company and various subsidiaries of the Company, Mr. Ng does not hold other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Ng does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Ng was interested in 10,000,000 underlying Shares, representing approximately 0.07% of the issued share capital of the Company.

Pursuant to the service agreement between a member of the Group and Mr. Ng, (a) the appointment of Mr. Ng as an executive Director is for a fixed term of one year commencing from date of the annual general meeting of the Company held last year (being 30 June 2009) and renewable thereafter for no more than two successive terms of one year commencing from the day next after the expiry of the current term, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-Laws; and (b) Mr. Ng will be entitled to an annual remuneration of RMB1,200,000 and discretionary bonus. Mr. Ng's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the appointment of Mr. Ng as an executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NON-EXECUTIVE DIRECTORS

Mr. Zhu Jia, aged 47, has been a non-executive Director since 3 August 2009. Mr. Zhu is a Juris Doctorate degree holder from Cornell Law School and currently a managing director of Bain Capital Asia, LLC. Mr. Zhu has solid and extensive experience in a broad range of cross border mergers and acquisitions as well as internal financing transactions involving Chinese companies. Before joining Bain Capital Asia, LLC in 2006, he was a managing director of the Investment Banking Division of and the chief executive officer of the China business of Morgan Stanley Asia Limited. He is also a non-executive director of Sinomedia Holding Limited, a company listed on the Stock Exchange.

Save as disclosed above, Mr. Zhu has not held any directorships in any other listed public companies or other major appointments and qualifications during the last three years.

Other than the membership in various Board's committees and the directorship in the Company, Mr. Zhu does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Zhu does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Zhu was interested in 1,168,920 Shares representing approximately 0.0078% of the total issued share capital of the Company.

Pursuant to a letter of appointment between Mr. Zhu and the Company, (a) the term of appointment of Mr. Zhu as a non-executive Director is for a fixed term commencing from 3 August 2009 and ending on the date of the General Meeting of the Company next following such appointment, and shall continue thereafter for no more than two successive terms of one year each commencing from the day following the expiry of the then current term, subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company; and (b) Mr. Zhu is entitled to an annual remuneration of HK\$300,000. Mr. Zhu is not entitled to any fixed or discretionary bonus. Mr. Zhu's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the appointment of Mr. Zhu as a non-executive Director that need to be brought to the attention of the Shareholders, nor is there any information that needs to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Ian Andrew Reynolds, aged 37, has been a non-executive Director since 3 August 2009. Mr. Reynolds is currently a managing director of Bain Capital Asia, LLC. During his 14 years in the private equity industry, Mr. Reynolds has worked with companies in a variety of industries in the United States, Europe and Asia. Prior to Bain Capital Asia, LLC, Mr. Reynolds was a consultant at Bain & Company, where he worked extensively in the technology and consumer products industries. Mr. Reynolds obtained a Master Degree in Business Administration from Harvard Business School where he was a Baker Scholar and graduated cum laude with a Bachelor Degree in Arts from Yale College.

Save as disclosed above, Mr. Reynolds has not held any directorships in any other listed public companies or other major appointments and qualifications during the last three years.

Other than the directorship in the Company, Mr. Reynolds does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Reynolds does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Reynolds did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to a letter of appointment between Mr. Reynolds and the Company, (a) the term of appointment of Mr. Reynolds as a non-executive Director is for a fixed term commencing from 3 August 2009 and ending on the date of the General Meeting of the Company next following such appointment, and shall continue thereafter for no more than two successive terms of one year each commencing from the day following the expiry of the then current term, subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company; and (b) Mr. Reynolds is entitled to an annual remuneration of HK\$300,000. Mr. Reynolds is not entitled to any fixed or discretionary bonus. Mr. Reynolds' remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the appointment of Mr. Reynolds as a non-executive Director that need to be brought to the attention of the Shareholders, nor is there any information that needs to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Ms. Wang Li Hong, aged 42, has been a non-executive Director since 3 August 2009. Ms. Wang is currently a principal of Bain Capital Asia, LLC. Ms. Wang has more than 18 years of experience in the banking and finance industry in the United States and Asia. Before joining Bain Capital Asia, LLC in July 2006, Ms. Wang was an executive director at Morgan Stanley from April 2005 to July 2006, worked at J.P. Morgan Securities Asia Pacific Limited from October 2001 to March 2005 and Credit Suisse First Boston (US) from September 1999 to September 2001. Ms. Wang obtained a Master Degree in Business Administration from Columbia Business School and was a graduate from Fudan University.

Save as disclosed above, Ms. Wang has not held any directorships in any other listed public companies or other major appointments and qualifications during the last three years.

Other than the membership in various Board's committees and the directorship in the Company, Ms. Wang does not hold any other positions with the Company or other members of the Group.

Save as disclosed above, Ms. Wang does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Ms. Wang did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to a letter of appointment between Ms. Wang and the Company, (a) the term of appointment of Ms. Wang as a non-executive Director is for a fixed term commencing from 3 August 2009 and ending on the date of the General Meeting of the Company next following such appointment, and shall continue thereafter for no more than two successive terms of one year each commencing from the day following the expiry of the then current term, subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company; and (b) Ms. Wang is entitled to an annual remuneration of HK\$300,000. Ms. Wang is not entitled to any fixed or discretionary bonus. Ms. Wang's remuneration was fixed with reference to her duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the appointment of Ms. Wang as a non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SZE Tsai Ping, Michael, aged 64, has been an independent non-executive Director since 31 October 2002. Mr. Sze has over 30 years of experience in the financial and securities field. He graduated with a Master of Laws (LLM) degree at the University of Hong Kong. He is currently a member of the Securities and Futures Appeals Tribunal in Hong Kong. Mr. Sze was a former Council Member, member of the Main Board Listing Committee, member of the Disciplinary Appeals Committee of The Stock Exchange of Hong Kong Limited and member of the Cash Market Consultative Panel of Hong Kong Exchange and Clearing Limited in Hong Kong. Mr. Sze has been a non-executive director of Burwill Holdings Limited since June 2000 and an independent non-executive director of Greentown China Holdings Limited since June 2006, Harbour Centre Development Limited and Walker Group Holdings Limited since May 2007, all of which are listed on the Hong Kong Stock Exchange. Mr. Sze resigned, on 23 January 2008 and 3 November 2009 respectively, as an independent non-executive director of T S Telecom Technologies Limited and C Y Foundation Group Limited, both of which are listed on the Hong Kong Stock Exchange. He is a fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and also a fellow of the Hong Kong Institute of Directors Limited.

Save as disclosed above, Mr. Sze has not held any directorships in any other listed public companies and other major appointments and qualifications during the last three years.

Other than the membership in various Board's committees and the directorship in the Company, Mr. Sze does not hold other positions with the Company or other members of the Group, nor does he have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Sze did not have any interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to a letter of appointment between the Company and Mr. Sze, (a) the appointment of Mr. Sze as an independent non-executive Director is for a fixed term of one year commencing from the date of the annual general meeting of the Company held last year (being 30 June 2009) and renewable thereafter for no more than two successive terms of one year commencing from the day next after the expiry of the current term, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-Laws; and (b) Mr. Sze will be entitled to an annual remuneration of HK\$300,000. Mr. Sze will not be entitled to any fixed or discretionary bonus. Mr. Sze's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matter in relation to the appointment of Mr. Sze as an independent non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. CHAN Yuk Sang, aged 64, has been an independent non-executive Director of the Company since 20 May 2004. Mr. Chan has more than 30 years of experience in the banking and finance industry. Mr. Chan was the chairman of Century Legend (Holdings) Limited from September 1999 to July 2002 and a director of Hong Kong Building & Loan Agency Ltd. from 1993 to 1995, both being companies listed on Hong Kong Stock Exchange. Mr. Chan was a senior general manager of a local bank and an executive director of a joint Chinese foreign bank in Shenzhen. Mr. Chan is currently an independent non-executive director of Four Seas Mercantile Holdings Limited, a company listed on the Stock Exchange.

Save as disclosed above, Mr. Chan has not held any directorships in other listed public companies and other major appointments and qualifications during the last three years.

Other than the membership in various Board's committees and the directorship in the Company, Mr. Chan does not hold other positions with the Company or other members of the Group, nor does he have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Chan did not have any interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment between the Company and Mr. Chan, (a) the appointment of Mr. Chan as an independent non-executive Director is for a fixed term of one year commencing from date of the annual general meeting of the Company held last year (being 30 June 2009) and renewable thereafter for no more than two successive terms of one year commencing from the day next after the expiry of the current term, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-Laws; and (b) Mr. Chan will be entitled to an annual remuneration of HK\$300,000. Mr. Chan will not be entitled to any fixed or discretionary bonus. Mr. Chan's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the appointment of Mr. Chan as an independent non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no service contract, which is not determinable by the Company within the period of one year without payment of compensation (other than statutory compensation), in respect of any director proposed for re-election at the Annual General Meeting.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$376,383,296.2 divided into 15,055,331,848 Shares.

Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 1,505,533,184 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares of the Company and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the combined financial position of the Company as at 31 December 2009, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the Proposed Repurchase Mandate was to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the Proposed Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital position of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the Proposed Repurchase Mandate would be financed out of funds legally available for such purpose in accordance with the Bye-Laws and the applicable laws in Hong Kong and Bermuda. Such funds include, but are not limited to, funds of the Company would otherwise be available for dividend or distribution.

EFFECT OF THE TAKEOVERS CODE

Upon the exercise of the power to repurchase the Shares pursuant to the Proposed Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interests, may become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

The shareholdings of Mr. Wong Kwong Yu and his associates in the Company as at the Latest Practicable Date were approximately 33.98% of the issued share capital of the Company. Based on such interest in Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Proposed Repurchase Mandate, and assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, the interest of Mr. Wong Kwong Yu and his associates would be increased from approximately 33.98% to approximately 37.76% of the issued share capital of the Company. In such case, notwithstanding such increase of interest will not reduce the number of Shares held by the public to less than 25% of the issued share capital of the Company, it will give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares under the Repurchase Mandate to such an extent as would result in a mandatory general offer obligation under the Takeovers Code.

The Directors have no present intention to repurchase Shares if the proposed Repurchase Mandate is approved at the Annual General Meeting.

PRICE OF THE SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	Suspended	Suspended
May	Suspended	Suspended
June	2.069	1.662
July	2.360	1.670
August	2.640	1.970
September	2.340	1.960
October	2.520	2.010
November	2.980	2.250
December	3.070	2.630
2010		
January	3.140	2.500
February	2.760	2.310
March	2.840	2.420
April (up to the Latest Practicable Date)	3.010	2.650

REPURCHASES MADE BY THE COMPANY

The Company did not purchase any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates have any present intention to sell any Shares to the Company or its subsidiaries if the Proposed Repurchase Mandate is exercised by the Company.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchase of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of Hong Kong and Bermuda.

NOTICE OF ANNUAL GENERAL MEETING



GOME ELECTRICAL APPLIANCES HOLDING LIMITED

國美電器控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 493)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Annual General Meeting**”) of GOME Electrical Appliances Holding Limited (the “**Company**”) will be held at Taishan Room, 5th Floor, Island Shangri-La, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Tuesday, 11 May 2010 at 2:30 p.m. for the purposes of considering and, if thought fit, pass with or without modifications the following ordinary resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2009.
2. To pass the following resolution as an ordinary resolution of the Company:

“THAT

- (a) Mr. Ng Kin Wah be re-elected as an executive director of the Company;
- (b) Mr. Zhu Jia be re-elected as a non-executive director of the Company;
- (c) Mr. Ian Andrew Reynolds be re-elected as a non-executive director of the Company;
- (d) Ms. Wang Li Hong be re-elected as a non-executive director of the Company;
- (e) Mr. Sze Tsai Ping, Michael be re-elected as an independent non-executive director of the Company;
- (f) Mr. Chan Yuk Sang be re-elected as an independent non-executive director of the Company; and
- (g) The board of directors of the Company be authorised to fix the remuneration of the directors.”

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

3. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution;

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by applicable laws or the bye-laws of the Company to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of securities convertible into Shares, or options, warrants or other rights or securities to subscribe for securities of the Company open for a period fixed by the Directors to holders of securities of the Company on the register on a fixed record date in proportion to their then holdings of securities (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of Resolutions nos. 4 and 5, the general and unconditional mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to Resolution no. 4 as set out in the notice convening the Annual General Meeting of which this Resolution forms part be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution no. 5 as set out in the notice convening the Annual General Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of such securities of the Company in issue at the date of the passing of this Resolution.”

7. To consider any other business of the Company.

Yours faithfully,
For and on behalf of
GOME Electrical Appliances Holding Limited
Chen Xiao
Chairman and President

Hong Kong, 12 April 2010

Principal place of business in Hong Kong:

Unit 6101, 61st Floor
The Center
99 Queen’s Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is holder of two or more shares of the Company may appoint more than one proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the Annual General Meeting is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer or attorney duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting in person or by proxy, the vote of one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
- (6) As at the date of this notice, the Board 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.