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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 on a voluntary basis by GOME Electrical Appliances Holding Limited (the “**Company**”).

Reference is made to the announcement of the Company dated 1 March 2010. The Company announces that on 18 May 2010, GOME Appliance Company Limited (國美電器有限公司) (the “**Subsidiary**”), a wholly-owned subsidiary of the Company in the Mainland China, has been fined RMB5 million by the Beijing Second Intermediate People’s Court (北京市第二中級人民法院) in relation to an offence of bribery by enterprise (單位行賄罪) committed between 2006 and 2008 during which time Mr. Wong Kwong Yu was the chairman of the Company and the legal representative of the Subsidiary.

The Company respects the above judgment of the court and confirms that the fine does not have any substantive adverse impact on the operation and financial condition of the Company. The Company is consulting with its defence attorney on the judgment and may consider an appeal.

The Company currently has sufficient fund to support its operation and its capital structure is reasonably sound and stable. Following the conclusion of the above case, the uncertainties surrounding the Company are greatly reduced. The management of the Company would fully focus on the Company’s operations and sustainable corporate development as well as further improve the corporate governance of the Company.

Since early 2010, the Company has prepared its 5-year strategic plan and has been steering the implementation thereof. The Company would continue its strategy implementation which is focused on network optimization and profit enhancement of individual stores, driven by customer needs. Capitalizing on business opportunities arising from increased market demands, the Company would further expand its network coverage and maintain growth by scale and scope, thereby bringing about further business development and profit increase as well as maximizing the interest of the Company and its shareholders as a whole.

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

19 May 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*