



Continued Improvement in Quarterly Results, Optimistic Outlook for Full Year

Hong Kong, May 14 2010 – GOME Electrical Appliances Holdings Limited (HKSE: 493, “GOME” or “the Company”, together with its subsidiaries, “the Group”) today announced unaudited results for the three months ended 31 March, 2010 (“the reporting period”).

- The Company recorded a revenue of RMB11,782 million in the first quarter of 2010, an increase of 20.2% from the same period last year.
- Sales revenue per square meter and individual store sales increased by 38.8% and 39.6% respectively year-on-year, and by 10.7% and 13.0%, respectively quarter-on-quarter.
- Same store sales in the first quarter grew 23.9% year-on-year.
- Consolidated gross profit margin increased to 16.7 %, compared with 15.8% year-on-year.
- Operating profit increased significantly year-on-year by 65.7% to RMB532 million.
- Profit attributable to equity holders was RMB333 million, up 3.4% compared with the same period last year.
- The Company closed down 13 underperforming stores, opened 15 new stores and remodeled 13 stores.

Thanks to continued implementation of the Company’s transformation strategy, which focused on network rationalization and individual store profit enhancement, combined with an improved macroeconomic environment and a rebound in consumer demand, the revenue of the Company for the first quarter of 2010 grew 20.2% from the same period last year, to RMB11,782 million. Sales revenue per square meter and individual store profitability increased by 38.8% and 39.6%, respectively, year-on-year, and by 10.7% and 13.0%, respectively, quarter-on-quarter. Same store sales achieved a 23.9% increase over the same period of last year.

Differentiated product management and the development of value-added services, including extended warranty and after-sales maintenance services, continued to yield positive results in consolidated gross profit margin, which increased to 16.7% from 15.8% a year ago. Operating profit surged 65.7% to RMB532 million. However, profit attributable to equity holders increased by 3.4% to RMB333 million year-on-year. This disproportionate growth was primarily attributed to the addition of finance costs incurred on the 2014 and 2016 Convertible Bonds issued last year. As of 31 March, 2010, the Company had a healthy capital position and a sound capital structure.

Capitalizing on favorable government stimulus policies and growth in consumer demand GOME will continue to improve individual store profitability, same store sales and sales revenue per square meter. GOME will continue to optimize its network in tier-one markets, to better meet evolving consumer needs. At the same time, the Company has

also allocated resources to broaden and deepen its network in second- and third-tier markets. During the first three months of 2010, the Company opened 15 new stores, closed down 13 underperforming stores and remodeled 13 existing stores.

Having previously selected SAP as its Enterprise Resource Planning (ERP) partner, the implementation will be commenced before end of June, 2010.

Chen Xiao, Chairman and President of GOME, commented: “We are pleased with our results for the first quarter of the year. Having successfully realigned our business last year, the operational performance in the first three months has trended up to the level of 2008, thanks to the effectiveness of our transformation strategy. Going forward, we will continue to augment GOME’s integrated service platform, capitalizing on the stimulus policies aimed at boosting domestic consumption. We are confident that we will continue to lead the home appliance retail industry in China.”

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About GOME

GOME Electrical Appliances Holding Limited was listed on The Hong Kong Stock Exchange in July 2004 (HKSE: 493). The GOME Group was founded in China in 1987 and is engaged in the retail business of electrical appliances and consumer electronics in China. It is the largest retail chain of electrical appliances and consumer electronics and the largest retail chain enterprise in China.

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