

梅

誠信為本  
服務為先

商者以誠信為本，為本  
家誠信履行企業社會責任之精  
神，以誠實為服務至上，對各  
位社會各界同仁，誠信為本  
信，此為誠信之真諦。誠信  
定能為企業之發展開拓更廣  
闊之市場。



OME  
2008

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蘭

創新勇氣  
攜手共進

勇於創新，敢為人先，是國美備  
註國策，成就事業的精神原動力。振  
撼振興，運籌帷幄，企業精英升華勝  
人，友誼上下一心，攜手共創的魄力。



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2008

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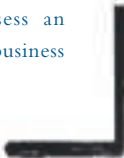


① BUILD ON INTEGRITY AND CREDIBILITY,  
CUSTOMER SERVICE COMES FIRST

A successful business is built on a foundation of integrity and credibility. GOME's mission is serving the public by working with our trustworthy partners and making customer service our top priority. We are proud to be an industry leader with high integrity and credibility.

② COURAGE TO BE INNOVATIVE, MAKING  
PROGRESS TOGETHER

The spiritual driver for GOME's success is our determination to be innovative and bold, always breaking new ground. We possess an entrepreneurial team that shares a common goal of elevating our business to new heights through strong partnerships with our suppliers.



THE ART<sub>OF</sub>

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RETAILING

# CHAIRMAN'S STATEMENT



MR. WONG KWONG YU | CHAIRMAN

2004 was an exciting and yet challenging year for our company. We went through a successful transformation and became the largest retail chain of electrical appliances and consumer electronics in the PRC. We, therefore, formally changed our name to “GOME Electrical Appliances Holding Ltd”.

In the nine months between April and December 2004, we aggressively expanded our retail network in China, allowing us to achieve remarkable growth in our operation and financial results. During the period, the company recorded revenue of HK\$9.2 billion. Gross profit and net profit surged to HK\$899 million and HK\$353 million respectively. Earnings per share reached 22 HK cents. Our gross margin and net profit rose to 9.8 per cent and 3.9 per cent respectively. The Board has recommended a final dividend per share of 2.5 HK cent.

China has witnessed rapid economic growth and the retail sector has been expanding at an unprecedented pace. Our company has been able to reap the benefit from this favourable environment. During the period, we opened 58 new stores and entered into 5 new cities. Gross floor area of our stores surged to approximately 410,000 square meters. The strength of our operation and revenue base has provided us with the power to enhance our profitability.

Looking forward to 2005, we are optimistic about the growth potential of our company and the retail market for electrical appliances in the PRC. This year, we will focus our development on the following aspects:

1. Improving our retail network, especially in cities where we already have a presence. We will also look for opportunities in cities with population of at least 500,000 and with supportive GDP per capita.
2. Enhancing our sales and operational efficiency of each stores by introducing more exclusive product models, providing wider variety of product brands and models, leveraging our significant purchasing platform and upgrading our ERP system.
3. Implementing a 3-tiered management structure with headquarters responsible for overall strategy setting and internal control, regional and branch offices for local execution. With this management structure in place, we seek to maximize our resources utilization, enhance local strategy customization and shorten response time.
4. Raising our standard of customer services during and after sales to attract customers and enhance loyalty.

Strategically, we would like to grow our revenue, increase our market share and strengthen our leading position by building a nationwide retail network.

In summary, we are very confident about our company's future. By capitalizing on our brand, nationwide network, relationship with suppliers and our experience, we are well-positioned to further develop our business and maximize our shareholders' return.

I would like to express my gratitude for our shareholders' continued support and our Board, management, staff and business partners for their efforts in realising success for our company in 2004.

**WONG KWONG YU**

*Chairman*

Hong Kong, 14 March 2005