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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 PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

The Company confirms that as of the date of this announcement:

- (a) the Group's management team has, since 27 November 2008, remained stable under the leadership of Mr. Chen, the acting chairman of the Group; and
- (b) the Group's business, operations and relationship with its suppliers has remained normal and have not been affected by the Investigation.

The Company has appointed:

- (a) independent external auditors to conduct a review on the Group's current financial position as at 30 November 2008; and
- (b) independent internal control and risk management advisers to conduct (i) an assessment of the recording and reporting controls over the connected transactions of the Group; and (ii) an assessment of the Group's internal control system and risk management mechanism.

The SAC has engaged separate legal advisers to assist it in conducting an independent review of the Group's corporate governance practices and to provide advice and assistance in connection with the Investigation. It is the intention of the Company to further improve its corporate governance practices based on the recommendations of the SAC.

Mr. Zhou Yafei's office as the Group's chief financial officer has been suspended with effect from 9 December 2008 and Mr. Fang Wei has been appointed the acting chief financial officer of the Group with effect from 27 November 2008.

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 (the "**Stock Exchange**").

Reference is made to the announcements of GOME Electrical Appliances Holding Limited (the "**Company**") dated 24 November 2008 and 28 November 2008 respectively. Capitalised terms used in this announcement have the same meanings as those defined in the announcement of the Company dated 28 November 2008 (the "**Announcement**"), unless otherwise defined.

UPDATE ON THE GROUP

The Company confirms that as of the date of this announcement:

- (a) the Group's management team has, since 27 November 2008, remained stable under the leadership of Mr. Chen, the acting chairman of the Group; and
- (b) the Group's business, operations and relationship with its suppliers has remained normal and have not been affected by the Investigation.

REVIEWS ON THE GROUP'S FINANCIAL POSITION, CONNECTED TRANSACTIONS AND INTERNAL CONTROL

In order to (a) establish that there has been no irregularity within the Group and that the funds or assets of the Group have not been misappropriated and (b) assist the Board to assess the Group's internal control and risk management functions, the Company is performing an internal audit and has also appointed:

- (a) Ernst & Young, Certified Public Accountants, Hong Kong, its external auditors, to conduct a review on the Group's current financial position as at 30 November 2008; and
- (b) Ernst & Young (China) Advisory Limited, its independent internal control and risk management advisers, to conduct (i) an assessment of the recording and reporting controls over the connected transactions of the Group; and (ii) an assessment of the Group's internal control system and risk management mechanism.

The Company will make further announcement regarding the results of such reviews in due course.

SPECIAL ACTION COMMITTEE

As stated in the Announcement, the Company has set up a special action committee (the "SAC") to (a) closely monitor and assess the impact on the Group's financial condition and operations caused by the Investigation; (b) advise on the Company's timely disclosure, investor relations and regulatory compliance; and (c) propose recommendations to the Board concerning the actions to be taken by the Company in connection with the Investigation.

The SAC has engaged separate legal advisers to assist it in conducting an independent review of the Group's corporate governance practices and to provide advice and assistance in connection with the Investigation. It is the intention of the Company to further improve its corporate governance practices based on the recommendations of the SAC.

SUSPENSION OF MR. ZHOU YAFEI'S OFFICE AS THE GROUP'S CHIEF FINANCIAL OFFICER

As mentioned in the Announcement, the Board has appointed Mr. Fang Wei as the acting chief financial officer of the Group with effect from 27 November 2008. The Board has further resolved Mr. Zhou Yafei's office as the Group's chief financial officer be suspended with effect from 9 December 2008 whilst the Investigation is pending.

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 November 2008 and will remain suspended until further notice.

By order of the Board
GOME Electrical Appliances Holding Limited
Ng Kin Wah
Executive Director

Hong Kong, 10 December 2008

* *For identification purpose only*

As at the date of this announcement, the Board comprises Mr. Wong Kwong Yu, Ms. Du Juan, Mr. Chen Xiao, Mr. Ng Kin Wah, Mr. Wang Jun Zhou and Ms. Wei Qiu Li as executive Directors; Mr. Sun Qiang Chang as non-executive Director; and Mr. Sze Tsai Ping, Michael, Mr. Chan Yuk Sang, Mr. Mark C. Greaves, Dr. Liu Peng Hui, Mr. Yu Tung Ho and Mr. Thomas Joseph Manning as independent non-executive Directors.