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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)

### RESIGNATION OF DIRECTOR SUSPENSION OF EXECUTIVE DUTIES AND REAPPOINTMENT OF EXECUTIVE DIRECTOR

Ms. Du Juan has resigned as a director of the Company with effect from 23 December 2008.

Due to Mr. Wong's inability to perform his duties as a director of the Company, the Board considered it in the interests of the Company and the shareholders that his executive duties be suspended with effect from 23 December 2008.

Due to a technical defect in the appointments of Mr. Wang Jun Zhou and Ms. Wei Qiu Li as executive directors of the Company on 1 September 2008, the Board has resolved to reappoint Mr. Wang as an executive director of the Company with effect from 23 December 2008. Ms. Wei's position as the vice president of the Group remains unaffected.

### RESIGNATION AND SUSPENSION OF EXECUTIVE DUTIES

#### Resignation of Ms. Du

Ms. Du Juan (杜鵑) ("**Ms. Du**") has resigned as a director of the Company with effect from 23 December 2008. Due to the ongoing investigation (the "**Investigation**") by the Beijing Municipal Public Security Bureau on Mr. Wong Kwong Yu (黃光裕) ("**Mr. Wong**") and her close association with Mr. Wong as his spouse, Ms. Du considered it in the interests of the Company and the shareholders of the Company that she resigns as a director of the Company. Upon Ms. Du's resignation as a director of the Company, Ms. Du has also automatically ceased to be a member of the Remuneration Committee and the Nomination Committee of the Company and an authorised representative of the Company with effect from 23 December 2008.

Save as disclosed herein, Ms. Du has no disagreement with the board of directors of the Company (the "**Board**") and there is no matter relating to her resignation which needs to be brought to the attention of the shareholders of the Company.

In view of the resignation of Ms. Du as a director of the Company, the Company has terminated her service contract with the Group and suspended her executive duties with effect from 23 December 2008.

## **Suspension of Mr. Wong's executive duties**

The Company has, as stated in the announcements by the Company on 24 November 2008, 28 November 2008 and 10 December 2008 respectively, taken various measures to address the issues in relation to or arising from the Investigation and/or the various allegations against Mr. Wong Kwong Yu (黃光裕) (“**Mr. Wong**”). Due to Mr. Wong's inability to perform his duties as a director of the Company, the Board considered it in the interests of the Company and the shareholders of the Company and resolved that his executive duties be suspended with effect from 23 December 2008. The Company has tried to communicate with Mr. Wong but as at the date of this announcement, the Company has yet to hear from Mr. Wong.

## **The Group's position**

As announced by the Company on 28 November 2008, the Company has appointed Mr. Chen Xiao (陳曉) (“**Mr. Chen**”), an executive director and the chief executive officer of the Company, as the acting chairman of the Group with effect from 27 November 2008. Mr. Chen has also been appointed to act as an authorised representative of the Company in place of Ms. Du in accordance with Rule 3.05 of the Listing Rules, with effect from 23 December 2008. The Company confirms that as at the date of this announcement, the Group's management team has, since 27 November 2008, remained stable under the leadership of Mr. Chen, and the Group's business, operations and relationship with its suppliers has also remained stable. As such, the Company is of the view that the abovementioned resignation of Ms. Du as a director of the Company and suspension of Mr. Wong's executive duties will not materially affect the management, operations and business of the Group.

## **REAPPOINTMENT OF EXECUTIVE DIRECTOR**

### **Background**

The Board announced on 1 September 2008 that each of Mr. Wang Jun Zhou (王俊洲) (“**Mr Wang**”) and Ms. Wei Qiu Li (魏秋立) (“**Ms. Wei**”) had been appointed an executive director of the Company, with effect from 1 September 2008.

Subsequent to the appointments of Mr. Wang and Ms. Wei as executive directors of the Company, the Board recently discovered that, pursuant to a shareholders' resolution passed on 31 January 1992 at the statutory general meeting of the Company (which was also the first general meeting of the Company), the shareholders of the Company had resolved that the number of directors of the Company shall not be less than two or more than eleven. As the abovementioned appointments of Mr. Wang and Ms. Wei as executive directors of the Company have caused the maximum number of directors of 11 as resolved by the shareholders of the Company on 31 January 1992 to be exceeded, there has been a technical defect in their appointments thus rendering such appointments invalid.

As advised by the Company's Bermuda counsel, pursuant to bye-law 127 of the bye-laws of the Company, all acts bona fide done by any meeting of the Board or by any committee or by any person acting as a director before the discovery of any defect in the appointment of the directors will be valid. Mr. Wang and Ms. Wei have not acted in the capacity as directors of the Company since the discovery of the defect in their appointment.

## **Reappointment**

Given that Mr. Wang has served the Group for a long time, and is the executive vice president and hence is an important member of the senior management team of the Group, and that the defect in his previous appointment is technical, the Board has resolved to reappoint Mr. Wang as an executive director of the Company, with effect from 23 December 2008. Ms. Wei's position as the vice president of the Group remains unaffected.

## **Mr. Wang's Biography**

Mr. Wang, aged 46, has been the executive vice president of the Group since November 2006. Mr. Wang graduated from the department of electronics engineering of Xi'an Jiaotong University (西安交通大學) with a bachelor's degree in semiconductor physics in 1983. Mr. Wang joined the Group in 2001 and previously held the positions as general manager of operation centre of the Group, general manager of South-China region and general manager of strategic and cooperation centre. Mr. Wang has been assisting the president of the Group in the overall management of daily operation, including the formulation of the Group's medium and long-term strategic plans and annual budgets; the standardization of various systems, processes and authorization. Mr. Wang has also been assisting in providing guidance and supervision as to the daily operation in each major region and each division of the Group, and the appraisal for business management teams at all levels. Mr. Wang has over ten years of experience in the sale and management of electrical appliances. Save as disclosed herein, Mr. Wang did not hold any directorship in other listed public companies in the last three years and does not hold any other positions with the Company and any other member of the Group.

As at the date of this announcement, Mr. Wang does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Pursuant to a service agreement between the Group and Mr. Wang, the appointment of Mr. Wang as an executive director of the Company will terminate on the date of the 2009 annual general meeting of the Company, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company. Under the terms of the abovementioned service agreement, Mr. Wang shall be entitled to an annual remuneration of HK\$180,000.00 and RMB380,460.00 together with a fixed annual bonus payment of approximately RMB150,000.00. Mr. Wang's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

Mr. Wang has informed the Board that due to Mr. Wong's inability to discharge his duties, Mr. Wang, jointly with Ms. Wei, has been authorised by Mr. Wong as his representative to execute documents on behalf of Mr. Wong with respect to the Group and Mr. Wong's private group in accordance with the instructions of their respective boards. Save as disclosed herein, Mr. Wang does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

There are no other matters concerning Mr. Wang that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

## SUSPENSION

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, 24 December 2008

*As at the date of this announcement, the Board comprises Mr. Wong Kwong Yu, Mr. Chen Xiao, Mr. Ng Kin Wah and Mr. Wang Jun Zhou 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.*

\* *For identification purpose only*