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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 RE-DESIGNATION OF DIRECTORS

The board of directors (the “**Board**”) of GOME Electrical Appliances Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that, with the crisis of the Group now over, on 28 June 2010, as approved and accepted by the Board, Mr. Chen Xiao (“**Mr. Chen**”), the Chairman and President of the Company resigned as President but would remain as Chairman and an Executive Director of the Company and at the same time, Mr. Wang Jun Zhou (“**Mr. Wang**”), an Executive Director and Executive Vice President of the Company, was appointed President of the Company in replacement, so that the roles of the Chairman and President of the Company are separate and not be performed by the same individual as required under the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Going forward, Mr. Chen would continue to perform his executive duties as Chairman and Executive Director of the Company and to work with the Board as well as the Senior Management of the Company in leading the Group for the best interests of the Company and its shareholders as a whole. Taking into account the solid management experience, extensive industry knowledge and excellent past performance of Mr. Wang, which is set out in more detail below, the Board is confident that Mr. Wang is competent and the best-fit to be the President of the Company in replacement of Mr. Chen.

Based on the above, the Board considers that the above re-designations of Mr. Chen and Mr. Wang are appropriate and would further strengthen the corporate governance of the Company. The biographical details of Mr. Chen and Mr. Wang are as follows:

Mr. CHEN Xiao, aged 51, is the Chairman and an Executive Director of the Group. Mr. Chen has been the President of the Group since 30 November 2006 and an executive Director since 22 May 2007, and was appointed as the Chairman of the Group on 16 January 2009 shortly after being appointed as the Acting Chairman of the Group on 27 November 2008. Mr. Chen is the director of various subsidiaries of the Company. Mr. Chen has over 20 years of experience in business management and electrical appliances retail industry in China. As early as in September 1996, Mr. Chen, as one of the founders, set up the group of Yongle (China) Electronics Retail Company Limited (永樂(中國)電器銷售有限公司), one of the leading electrical appliances retailers in China and previously listed as the group of China Paradise Electronics Retail Limited on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). Before joining the Group,

Mr. Chen was the president, chairman and an executive director of China Paradise Electronics Retail Limited since its listing in October 2005 on Hong Kong Stock Exchange until its delisting in January 2007 and it became a non-listed wholly owned subsidiary group of the Company. Mr. Chen is the President of Shanghai Electrical Products and Appliances Industry Association and the Vice President of China Chain Store & Franchise Association.

Save as disclosed above, Mr. Chen has not held any directorships in other listed public companies and other major appointment and qualifications during the last three years preceding the date of this announcement.

Mr. Chen does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the date of this announcement, Mr. Chen is interested in 206,061,228 shares of the Company and 22,000,000 options to subscribe for shares in the Company.

Pursuant to a service agreement entered into between a member of the Group and Mr. Chen, (a) the appointment of Mr. Chen as an Executive Director will be for a fixed term of one year commencing from date of the annual general meeting of the Company held last year (being 30 June 2009) and renewable thereafter for no more than two successive terms of one year commencing from the day next after the expiry of the current term, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company; and (b) Mr. Chen will be entitled to an annual remuneration of HK\$600,000 together with discretionary bonus. Pursuant to the senior management labour contract entered into between a member of the Group and Mr. Chen, Mr. Chen is entitled to an annual remuneration of RMB2,000,000 together with discretionary bonus. Mr. Chen's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

Mr. WANG Jun Zhou, aged 48, has been the Executive Vice President of the Group since November 2006 and an Executive Director since 23 December 2008. Mr. Wang assists the President of the Group in the overall management of daily operation, including formulation of the Group's medium and long-term strategic plans and annual budgets as well as standardization of various systems, processes and authorizations for the Group. Mr. Wang also assists in providing guidance and supervision as to the daily operation in each major region and each division of the Group as well as the appraisal and review for business management teams at all levels. Mr. Wang has over 10 years of experience in the sale and management of electrical appliances. Mr. Wang joined the Group in 2001 and previously held positions as General Manager of Operation Centre, General Manager of Southern China Region and General Manager of Strategic and Cooperation Centre of the Group.

Mr. Wang is also a director of various subsidiaries of the Group and a director of Sanlian Commercial Co., Ltd., a company listed on the Shanghai Stock Exchange. Save as disclosed above, Mr. Wang has not held any directorships in other listed public companies and other major appointment and qualifications during the last three years preceding the date of this announcement.

Mr. Wang does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the date of this announcement, Mr. Wang is interested in 20,000,000 options to subscribe for shares in the Company.

Pursuant to a service agreement to be entered into between a member of the Group and Mr. Wang, (a) the appointment of Mr. Wang as an Executive Director will be for a fixed term of one year commencing from date of the annual general meeting of the Company held last year (being 30 June 2009) and renewable thereafter for no more than two successive terms of one year commencing from the day next after the expiry of the current term, subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the bye-laws of the Company; and (b) Mr. Wang will be entitled to an annual remuneration of HK\$180,000 together with discretionary bonus. Pursuant to the senior management labour contract entered into between a member of the Group and Mr. Wang, Mr. Wang is entitled to an annual remuneration of RMB1,600,000 together with discretionary bonus. Mr. Wang's remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

The Board is not aware of any other matters in relation to the re-designation of Mr. Chen as Chairman and Executive Director of the Company and the appointment of Mr. Wang as President of the Company that needs to be brought to the attention of the shareholders of the Company, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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

28 June 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*