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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 was verbally informed by the Bureau on 27 November 2008 that Mr. Wong was being investigated by the Bureau in connection with certain suspected economic crime.

Mr. Chen has been appointed the acting chairman of the Company.

The Company has set up a special action committee 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 Company has conducted preliminary internal checks on the assets of the Group and the results of these checks have not revealed any misappropriation of the assets and funds of the Group. Furthermore, the Company will engage external auditors to conduct a risk assessment and carry out a review on the Group's connected transactions and the effectiveness of the internal control system of the Group.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

GOME Electrical Appliances Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 24 November 2008 and the recent newspaper articles in connection with certain allegations concerning Mr. Wong Kwong Yu, the chairman, an executive director, and the controlling shareholder of the Company ("**Mr. Wong**") and seeks to clarify the Company's position in respect of these articles.

The Company was verbally informed by the Beijing Municipal Public Security Bureau (the "**Bureau**") on 27 November 2008 that Mr. Wong was being investigated by the Bureau in connection with certain suspected economic crime (the "**Investigation**").

The Company confirms that it has not received any legal documents in connection with the Investigation from any regulatory, governmental or judicial authority in the People's Republic of China. To the best of the knowledge, information and belief of the Company and based on the information available to the Company as of 27 November 2008, the Investigation is not related to the Group.

In view of Mr. Wong's apparent inability to perform his duties as a result of the Investigation, on 27 November 2008, the board of the Company (the "**Board**") has appointed Mr. Chen Xiao ("**Mr. Chen**"), an executive director and the chief executive officer of the Company, as the acting chairman of the Company with immediate effect.

Mr. Chen, who has a significant shareholding interest in the Company, has been the chief executive officer of the Group since the completion of the Company's acquisition of China Paradise Electronics Retail Limited (which he founded) and has over 20 years' experience in the electrical and electronic retail sector in China. Mr. Chen is the chairman of the Shanghai Electrical Products and Appliances Industry Association. Mr. Chen, together with the management team of the Group, is responsible for the day-to-day operations of the Company and execution of the instructions from the Board. As such, the Board is of the view that the management, operations and business of the Group will not be affected by the Investigation.

To the best of the knowledge, information and belief of the Company and based on the information available to the Company as of 27 November 2008, Mr. Zhou Ya Fei, the chief financial officer of the Group, is also being investigated by the Bureau in connection with the Investigation. Mr. Fang Wei has been appointed the acting chief financial officer of the Group.

In order to provide independent assurance to the shareholders of the Company, the Company has set up a special action committee (the "**Committee**") on 27 November 2008. The Committee comprises its non-executive director, namely Mr. Sun Qiang Chang as the chairman of the Committee, and its independent non-executive directors, namely Mr. Chan Yuk Sang, Mr. Mark C. Greaves and Mr. Thomas Joseph Manning. The Committee is set up 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 Company believes that the Committee would enable the Board to respond efficiently and hence enhance communications and transparency to the market with respect to the Investigation.

The Company has conducted preliminary internal checks on the assets of the Group and the results of these checks have not revealed any misappropriation of the assets and funds of the Group. Furthermore, the Company will engage external auditors, who are independent of the Company and its connected persons (as defined in the Listing Rules), to conduct a risk assessment and carry out a review on the Group's connected transactions and the effectiveness of the internal control system of the Group.

The Company will make further announcements if there is any further information and clarification regarding the Investigation. Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 am 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, 28 November 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.