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GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 493)

INSIDE INFORMATION PROFIT WARNING AND INFORMATION UPDATE

This announcement is made by GOME Retail Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company wishes to provide shareholders of the Company and potential investors with the latest update on the Group.

During the six months ended 30 June 2024 (the “**Reporting Period**”), the external environment continued to be tensed, the industry landscape was challenging which posed uncertainties over the pace of economic recovery. With limited working capital and reduced retail network, the Group experienced a decline in its business operation scale. Based on the preliminary review of the latest management accounts of the Group, the sales revenue of the Group for the Reporting Period is expected to decline by over 50% from RMB415 million for the corresponding period last year.

Due to the decrease in revenue and increase in joint and several liabilities from subsidiaries ruled bankrupt by the courts, impairment losses on financial assets, penalty interest on overdue debts, etc., the Group’s loss attributable to owners of the parent during the Reporting Period is expected to increase by 20% to 30% from RMB3,539 million for the corresponding period last year.

As at 30 June 2024, the principal amount of the Group’s overdue interest-bearing bank and other borrowings (including bonds payable) amounted to approximately RMB22 billion. The Group has been in active negotiations with relevant banks and interested parties on, amongst others, change of contractual terms or extension of the loan tenor, with an aim to reach mutually agreed settlement terms.

As at 30 June 2024, the Group was involved in a total of 1,435 pending lawsuits, involving an amount of approximately RMB13 billion in aggregate, of which, pending cases with banks and financial institutions amounted to approximately RMB10.6 billion.

As at 30 June 2024, funds of the Group that have been frozen amounted to approximately RMB87 million in aggregate.

The Group continued to adhere to the original mission of “Better homes and lifestyles through GOME”, with the purpose of serving the needs of Chinese families for a better life in the new era, focusing on the retail industry and home service industry. At the same time, the Group is committed in dealing with its difficulties, actively resolving its debt issues and continuing to promote its strategic focus and transformation.

The information contained in this announcement is only based on a preliminary review of the latest management accounts of the Group by the Company’s management and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company and may be subject to adjustment. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the Reporting Period which is expected to be published by the end of August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
GOME Retail Holdings Limited
Zhang Da Zhong
Chairman

Hong Kong, 9 August 2024

As at the date of this announcement, the Board comprises Mr. Zou Xiao Chun as executive director, Mr. Zhang Da Zhong as non-executive director, and Mr. Wang Gao, Mr. Lui Wai Ming and Mr. Liu Yin Hong as independent non-executive directors.

* *For identification purpose only*