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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)**

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Placing Agent**



On 28 June 2022, the Company entered into the Agreement with the Placing Agent and the Vendors in respect of the Placing and the Subscription.

The Placing Agent has agreed to place, on a best effort basis, 1,962,500,000 existing Shares at the Placing Price of HK\$0.40 per Share.

Pursuant to the Agreement, the Vendors have conditionally agreed to subscribe at the Subscription Price for the same number of new Shares as the Placing Shares that have been placed by the Placing Agent.

The net proceeds to be received by the Company from the Subscription, after deducting relating fees and expenses, are estimated to be approximately HK\$776,460,000.

On 28 June 2022, the Company entered into the Agreement with the Placing Agent and the Vendors. The principal terms of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

28 June 2022

### **Parties**

- (1) the Company;
- (2) the Vendors; and
- (3) the Placing Agent.

As at the date of this announcement, the Vendors and parties acting in concert with it hold 19,809,320,115 Shares, representing approximately 58.68% of the existing issued share capital of the Company. The Vendors are wholly owned by the Controlling Shareholder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons or any of its respective associates.

## **PLACING**

### **Number of Placing Shares**

The Placing Agent has agreed to place, on a best effort basis, 1,962,500,000 existing Shares. The Placing Shares represent approximately 5.81% of the issued share capital of the Company as at the date of this announcement and about 5.49% of the issued share capital as enlarged by the Subscription.

### **Placing Price**

The Placing Price is HK\$0.40 per Share and represents:

- i. a discount of approximately 12.09% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on 27 June 2022, the Last Trading Day;
- ii. a discount of approximately 6.98% to the average closing price of approximately HK\$0.430 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- iii. a discount of approximately 0.74% to the average closing price of approximately HK\$0.403 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day; and
- iv. a discount of approximately 3.61% to the average closing price of approximately HK\$0.415 per Share as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company, the Vendors and the Placing Agent with reference to the prevailing market conditions and the market price of the Shares.

The Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

## **Rights**

The Placing Shares will be sold free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of the Agreement, including the right to receive all dividends declared, made or paid on or after the date of the Agreement.

## **Independence of the Placing Agent and the Placees**

The Placing Shares will be placed by the Placing Agent to not less than six independent placees. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The Placing Agent and the placees to be procured by the Placing Agent are or will be (as the case may be) independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

## **Completion of the Placing**

The parties expect that the Placing will be completed on the Closing Date.

## **SUBSCRIPTION**

### **Number of new Shares to be subscribed**

1,962,500,000 new Shares to be subscribed by the Vendors, representing approximately 5.81% of the issued share capital of the Company as at the date of this announcement and approximately 5.49% of the issued share capital of the Company as enlarged by the Subscription.

### **Subscription Price**

The Subscription Price per new Share is equivalent to the Placing Price of HK\$0.40 per Share.

The Subscription Shares have a nominal value of HK\$49,062,500 and a market value of approximately HK\$892.94 million, based on the closing price of HK\$0.455 per Share on the Last Trading Day. The net price of the Subscription is approximately HK\$0.396 per Share.

The Subscription Price per new Share, being equal to the Placing Price, was determined after arm's length negotiations between the Company and the Vendors with reference to the Placing Price.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and the Shareholders as a whole.

## **General mandate to issue the Subscription Shares**

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the General Mandate. The Company has not issued any Shares pursuant to the General Mandate.

## **Ranking of the Subscription Shares**

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

## **Conditions of the Subscription**

The Subscription is conditional upon:

- (1) completion of the Placing; and
- (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

None of the conditions stated above can be waived.

In the event that the conditions are not fulfilled within 14 days after the date of the Agreement, the obligations and liabilities of the Vendors and the Company under the Subscription shall cease and terminate and neither the Company nor the Vendors shall have any claim against the other for costs, damages, compensation or otherwise.

## **Completion of the Subscription**

Completion of the Subscription will take place on the Business Day (or such other time and/or date as the Vendors, the Company and the Placing Agent may agree in writing) after the date upon fulfillment of the last of the above conditions.

As each of the Vendors (wholly owned by the Controlling Shareholder) is a connected person of the Company and the Subscription constitutes a connected transaction of the Company exempt under Rule 14A.92(4) of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Agreement, the relevant provisions of the Listing Rules in relation to connected transaction will apply (including the independent Shareholders' approval requirement) to the Subscription, unless otherwise waived by the Stock Exchange. Further announcement will be made if this occurs.

## **Undertaking of the Company**

The Company has undertaken to the Placing Agent that for a period from the Closing Date up to 90 days after the Closing Date, the Company will not, save with the prior written consent of the Placing Agent or pursuant to the exercise of any existing convertible notes or options, or employee share options under the share option scheme of the Company, or bonus or scrip dividend or similar arrangements, allot or issue or offer to allot or issue any Shares or enter into or effect any such transaction with the same economic effect.

## Application for listing

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there is no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing and the Subscription, the shareholding structure of the Company before and after completion of the Placing and the Subscription is summarised as follows:

	Before completion of Placing and completion of Subscription		After completion of Placing but before completion of Subscription		After completion of Placing and Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
the Vendors and parties acting in concert with them (Note 1)	19,809,320,115	58.68	17,846,820,115	52.87	19,809,320,115	55.46
Other Shareholders	13,947,224,084	41.32	13,947,224,084	41.32	13,947,224,084	39.05
Placees	–	–	1,962,500,000	5.81	1,962,500,000	5.49
<b>Total issued share capital</b>	<b>33,756,544,199</b>	<b>100</b>	<b>33,756,544,199</b>	<b>100</b>	<b>35,719,044,199</b>	<b>100</b>

### Notes:

- (1) Of these 19,809,320,115 shares, 13,663,940,777 shares are held by GOME Management Limited, 4,454,979,938 shares are held by Shinning Crown Holdings Inc., 82,792,736 shares are held by Shine Group Limited, 1,200,000,000 shares are held by Element Assets Management Limited, 160,000,000 shares are held by Hillwood Assets Management Limited and 246,706,664 shares are held by Smart Captain Holdings Limited. All the above companies are wholly owned by the Controlling Shareholders.
- (2) The percentage figures included in the shareholding structure have been subject to rounding adjustment.

## DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it, has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction.

As the Vendors, together with parties acting in concert with it has continuously held more than 50% of the voting rights of the Company for at least 12 months immediately preceding the Agreement, a waiver under Rule 26 of the Takeovers Code is not required for the Placing and Subscription.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any equity fund raising activities during the twelve-month period immediately preceding the date of this announcement.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The principal activities of the Group are to provide a full range of products and services for daily life, including household appliances, food and beverages, clothing, shoes and bags, household decoration, daily necessities, maternity and baby toys, cosmetics and personal cares, etc., and provides home-delivery services to consumers through professionals. The business strategy centered on entertainment, low price, service and technology meets the full range of consumption and service needs of household users, so that every household can obtain better products and services with lower prices.

The Group is advancing the implementation of the second phase of the “Home • Living” strategy, and continues to make efforts to innovate business models and promote the reform of China’s retail industry.

Through the Placing and Subscription, the Group will not only be able to apply the proceeds for the integration of onmi-retail ecological sharing platform business, accelerate the digitalise of future development of local retail, but also to enhance the financial strength of the Group through expansion of shareholders’ equity.

The Directors consider that the terms of the Agreement (including the Subscription Price and the Placing Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE SUBSCRIPTION**

The net proceeds to be received by the Company from the Subscription, after deducting relating fees and expenses, are estimated to be approximately HK\$776,460,000.

The Company intends to apply such net proceeds for the repayment of debt, and as general working capital including for expansion of online and offline dual-platform business.

As the Placing and Subscription may or may not proceed to completion, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“2022 AGM”	the annual general meeting of the Company held on 27 May 2022
“acting in concert”	has the meaning ascribed under the Takeovers Code;
“Agreement”	the agreement dated 28 June 2022 entered into between the Company, the Vendors and the Placing Agent in relation to the Placing and the Subscription;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong;
“Closing Date”	30 June 2022 or such other date as the Vendors and the Placing Agent may agree in writing;
“Company”	GOME Retail Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 0493);
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Controlling Shareholder”	Mr. Wong Kwong Yu;
“Directors”	the directors of the Company;
“General Mandate”	the general authority granted to the Directors to issue up to 6,751,308,839 Shares, representing 20% of the total number of Shares in issue as at date of the 2022 AGM, pursuant to an ordinary resolution passed at the 2022 AGM;
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Date”	27 June 2022, being the last full trading day prior to the date of the Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Placing”	the placing of the Placing Shares by the Placing Agent to places at the Placing Price pursuant to the Agreement;
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited;
“Placing Price”	HK\$0.40 per Placing Share;
“Placing Shares”	the Shares to be placed by the Placing Agent pursuant to the Placing;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Shares”	ordinary shares of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendors pursuant to the Agreement;
“Subscription Price”	HK\$0.40 per Subscription Share;
“Subscription Shares”	1,962,500,000 Shares to be subscribed by the Vendors pursuant to the Subscription;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Vendors”	GOME Management Limited, a company incorporated in Hong Kong and Shinning Crown Holdings Inc., a company incorporated in British Virgin Island, the sellers of the Placing Shares; and
“%”	per cent.

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

Hong Kong, 28 June 2022

*As at the date of this announcement, the Board comprises Mr. Zou Xiao Chun and Ms. Huang Xiu Hong as executive directors, Mr. Zhang Da Zhong and Ms. Dong Xiao Hong as non-executive directors, and Mr. Lee Kong Wai, Conway, Ms. Liu Hong Yu and Mr. Wang Gao as independent non-executive directors.*

\* *For identification purpose only.*