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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)

PROFIT WARNING FURTHER SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcements of GOME Retail Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 21 October 2022 and 28 October 2022 (the “**Announcements**”). The Company would like to provide the following supplemental information to the shareholders and investors of the Company.

As a result of the unfavourable operating conditions disclosed in the Announcements, the Group’s business was also affected. Based on the preliminary review of the latest management accounts available to the Group, the sales revenue of 2022 is expected to decline by approximately 55% to 65% compared with the corresponding period last year. The Group’s loss attributable to owners of the parent during the Reporting Period is expected to be between RMB17 billion and RMB19 billion (including goodwill impairment amounted to approximately RMB6.5 billion and RMB8.5 billion on certain businesses which did not meet expectations), compared with a loss of RMB4.4 billion for the corresponding period last year.

However, if certain non-operational expenses, such as goodwill impairment, right-of-use assets impairment, other assets impairment, penalties on overdue loans, losses of closing stores, confirmation expenses on share-based payments, staff layoff costs and losses on financial assets at fair value through profit or loss are excluded, the Group’s operating loss attributable to owners of the parent during the Reporting Period is expected to be between RMB4.5 billion and RMB5.5 billion.

The Group will continue to impel the strategic focus and utilise the vertical model to focus on the deepening, penetration and proper implementation of our core businesses i.e. the retail sales of household appliances and consumer electronic products. The management of the Company will take cost reduction and efficiency enhancement as the main strategic goal, and strive to realise the improvement of the Company’s operation capacity by shutting down inefficient stores, reorganising business segments and optimising the organisational structure, etc. The Company will utilise technology to facilitate our digital transformation and improve the consumer service experience throughout the process.

The information contained in this announcement is only based on a preliminary review 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. Such information is subject to finalisation and if the finalised information differs significantly from the estimation set forth in this announcement, the Company will provide updates on a timely basis. 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 March 2023.

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, 10 March 2023

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*