

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

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.

In 2023, the industry landscape was challenging which posed uncertainties over the pace of economic recovery. With limited working capital and reduced scale of retail network, the Group has experienced a significant decline in its scale of business operations. Based on the preliminary review of the latest management accounts of the Group, the sales revenue of the Group for 2023 is expected to decline by over 90% from RMB17,444 million for the corresponding period last year.

With substantial reduction in impairment losses on goodwill and right-of-use assets as well as savings in selling and distribution expenses, partly offset by the decrease in gross profit from the reduced revenue and increase in finance costs from accrual of penalty interest of overdue debts, the Group’s loss attributable to owners of the parent during the Reporting Period is expected to reduce by 45% to 55% from RMB19,956 million for the corresponding period last year.

As at 29 February 2024, the principal amount of the Group’s overdue interest-bearing bank and other borrowings (including bonds payable) amounted to RMB19.26 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 29 February 2024, the Group was involved in a total of 990 pending lawsuits, amounted to RMB4.54 billion in aggregate, of which, the pending cases with banks and financial institutions amounted to RMB2.90 billion. 922 cases with amount of RMB13.00 billion have received judgements.

As at 29 February 2024, funds of the Group that have been frozen amounted to RMB114 million in aggregate.

The Group focuses on a closed-loop comprehensive ecology of “Home•Living”, with electrical appliances and consumer electronics products as its main business. In addition, it operates various vertical businesses for consumer products. Riding on various retail models, including self-operated and franchise, GOME provides strong empowerment for all channels, and offers consumers with low-priced products, becoming the best purchaser for consumers, and consolidating its position in various vertical businesses with its low pricing strategy.

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 March 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, 8 March 2024

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

* *For identification purpose only*