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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)

ISSUE OF SHARES FOR THE PARTIAL SETTLEMENT OF OUTSTANDING BONDS

References are made to the announcements of GOME Retail Holdings Limited (the “**Company**”) dated 27 December 2023 and 29 December 2023 (the “**Announcements**”) in relation to the partial settlement of the outstanding Bonds issued by the Company on 30 June 2020. Unless otherwise provided, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 28 May 2024, the Company issued 128,640,000 Conversion Shares to the Bondholder at HK\$1.24 per share for the partial settlement of Bonds held by the Bondholder in the principal amount of RMB145,000,000 (equivalent to approximately US\$20,422,000 at the agreed exchange rate of RMB7.1002 per US\$1).

The Bondholder is an independent third party of the Company and its connected persons.

Conversion Shares

The Conversion Shares represent approximately 0.27% of the existing issued share capital of the Company and approximately 0.27% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Issue Price of the Conversion Shares

The issue price of the Conversion Share of HK\$1.24 was based on initial conversion price of the Bonds of HK\$1.255 per Share, as adjusted in accordance with the terms of the Bonds by the Company’s issuance of 2,279,976,000 new Shares on 9 March 2021 through a top-up placing transaction. The adjusted issue price of the Conversion Shares of HK\$1.24 represents:

- (i) a premium of approximately 3,547.06% to the closing price of HK\$0.034 per Share as quoted on the Stock Exchange on 28 May 2024, the date of issue of the Conversion Shares;
- (ii) a premium of approximately 3,547.06% to the average closing price of HK\$0.034 per Share as quoted on the Stock Exchange for the last five trading days up to and including 27 May 2024, the date immediately preceding the date of the issue of the Conversion Shares.

Based on the closing price of the Shares of HK\$0.034 per Share on 28 May 2024, the date of the issue of the Conversion Shares, the Conversion Shares have a market value of HK\$4,373,760 and an aggregate nominal value of HK\$3,216,000.

General Mandate to issue Shares

The issue of the Conversion Shares is not subject to Shareholders' approval. As disclosed in the announcement of the Company dated 29 December 2023, the Conversion Shares were issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed at the annual general meeting of the Company held on 21 September 2023. On the date of the annual general meeting, the Company had 47,762,439,199 Shares in issue, and the general mandate was to allot and issue up to 9,552,487,839 Shares, representing 20% of the number of Shares in issue as at the date of the passing of the resolution.

As at the date of this announcement, other than the issue of the Conversion Shares, no Shares have been issued under such general mandate, and the Company has not carried out any buy-back of Shares since the date of the annual general meeting. Upon completion of the issue of the Conversion Shares, the Company has remaining available mandate to issue up to 9,423,847,839 Shares.

Ranking of the Conversion Shares

The Conversion Shares rank pari passu in all respects with the Shares in issue, including the right to any dividends or distribution declared. The Conversion Shares are not subject to any lock-up arrangement.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING THE ISSUE OF THE CONVERSION SHARES

The effect on the shareholding of the Company upon completion of the issue of the Conversion Shares is set out below:

Shareholders	Shareholding prior to the issue of the Conversion Shares		Shareholding after completion of the issue of the Conversion Shares	
	<i>Shares</i>	<i>% of shareholding</i>	<i>Shares</i>	<i>% of shareholding</i>
Mr. Wong and parties acting in concert with it	5,233,411,602	10.96%	5,233,411,602	10.93%
The Bondholder	–	–	128,640,000	0.27%
Other public shareholders	42,529,027,597	89.04%	42,529,027,597	88.80%
Total	<u>47,762,439,199</u>	<u>100.00%</u>	<u>47,891,079,199</u>	<u>100.00%</u>

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any capital raising activities in the 12 months immediately preceding the date of this announcement.

REASON FOR THE ISSUANCE AND PROCEEDS

The issue of the Conversion Shares is to settle part of the outstanding Bonds held by the Bondholder. No cash proceeds will be received by the Company for the issue of the Conversion Shares.

The Company will continue to negotiate with the Bondholder on the settlement of the remaining outstanding Bonds and accrued interest payable. Further announcement(s) will be made by the Company as and when appropriate.

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

Hong Kong, 28 May 2024

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