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**GOME Electrical Appliances Holding Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 493)**



**China Paradise Electronics Retail Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 503)**

**Voluntary conditional offer by  
Goldman Sachs (Asia) L.L.C.  
for and on behalf of**

**GOME Electrical Appliances Holding Limited  
to acquire all of the issued shares in the capital of  
China Paradise Electronics Retail Limited**

**(not already owned by GOME Electrical Appliances Holding Limited and  
parties acting in concert with it)**

**OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS**

**Financial adviser to  
GOME Electrical Appliances Holding Limited**

**Goldman  
Sachs**

**Financial adviser to  
China Paradise Electronics Retail Limited**

**CAZENOVE**  
Cazenove Asia Limited

**Independent financial adviser to the Independent Board Committee of  
China Paradise Electronics Retail Limited  
in respect of the Offer**

**Σ SOMERLEY LIMITED**

The Offeror announces that the Offer has become unconditional in all respects on Wednesday, 1 November 2006.

Pursuant to Rule 15.3 of the Takeovers Code, the Offer will remain open for acceptance until 4.00 p.m. on Wednesday, 15 November 2006 (unless otherwise further extended in accordance with the terms and conditions of the Offer and the Takeovers Code). All other terms of the Offer, as set out in the Composite Document and in the Form of Acceptance, remain unchanged.

As the Offeror has acquired not less than 90% of the Disinterested Shares within 4 months of the posting of the Composite Document, it intends to exercise the right pursuant to Section 88 of the Cayman Islands Company Law and Rule 2.11 of the Takeovers Code to compulsorily acquire the remaining China Paradise Shares not acquired pursuant to the Offer. Upon the completion of the compulsory acquisition, it is intended that China Paradise will become a wholly-owned subsidiary of the Offeror and an application will be made to the Stock Exchange pursuant to Rule 6.15 of the Hong Kong Listing Rules for the withdrawal of the listing of China Paradise Shares.

## **INTRODUCTION**

Reference is made to the joint announcement dated 25 July 2006 (the *Joint Announcement*) issued by GOME Electrical Appliances Holding Limited (*GOME* or the *Offeror*) and China Paradise Electronics Retail Limited (*China Paradise*), and the composite offer and response document despatched on 29 August 2006 to China Paradise Shareholders (the *Composite Document*). Unless the context requires otherwise, terms defined in the Joint Announcement and the Composite Document have the same meaning when used in this Announcement.

## **THE OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS**

On Tuesday, 17 October 2006, the Offeror announced that the Offer had been declared unconditional as to acceptances, and also announced the fulfillment of Offer Conditions (a) to (e) (as set out in the Composite Document).

The Offeror announces that Offer Conditions (f) and (g) (as set out in the Composite Document) have now been fulfilled.

As all the Offer Conditions have now been fulfilled, the Offeror announces that the Offer has become unconditional in all respects on Wednesday, 1 November 2006.

## **LEVEL OF ACCEPTANCES**

The Offeror announces that, as at 4.00 p.m. on Wednesday, 1 November 2006, valid acceptances of the Offer have been received in respect of 2,290,798,165 China Paradise Shares, representing approximately 97.21% of the entire issued share capital of China Paradise as at the date of this Announcement.

As at the date of the Joint Announcement, the Offeror and the parties acting in concert with the Offeror together held, controlled or directed 500,000 China Paradise Shares representing approximately 0.0002% of the entire issued share capital of China Paradise as at the date of the Joint Announcement.

After taking into account the valid acceptances received under the Offer, the Offeror and parties acting in concert with it have acquired or agreed to acquire 2,290,798,165 China Paradise Shares, representing approximately 97.21% of the entire issued share capital of China Paradise as at the date of this Announcement, subject to payment by the Offeror for the tendered China Paradise Shares.

#### **OFFER REMAINS OPEN FOR ACCEPTANCE**

Pursuant to Rule 15.3 of the Takeovers Code, where the Offer has become or is declared unconditional in all respects, it should remain open for acceptance for not less than 14 days thereafter. The Offeror therefore announces that the Offer will remain open for acceptance until 4.00 p.m. on Wednesday, 15 November 2006 (the *Final Closing Date*) (unless otherwise further extended in accordance with the terms and conditions of the Offer and the Takeovers Code). All other terms of the Offer, as set out in the Composite Document and in the Form of Acceptance, remain unchanged.

China Paradise Shareholders are reminded that if they wish to accept the Offer but have not yet done so, they should duly complete and sign their Form of Acceptance, and forward the Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand marked "China Paradise Offer" on the envelope to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event to reach the Registrar by no later than 4.00 p.m. on Wednesday, 15 November 2006.

As set out in the Composite Document, provided that the Form of Acceptance and share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order and have been received by the Registrar by not later than the latest time for acceptance, settlement of the consideration under the Offer will be made within ten days of the later of the date of this Announcement and the date of receipt of the duly completed Form of Acceptance.

#### **COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

As the Offeror has acquired not less than 90 % of the Disinterested Shares within four months of the posting of the Composite Document, it intends to exercise the right under Section 88 of the Cayman Islands Company Law and in accordance with Rule 2.11 of the Takeovers Code, to compulsorily acquire those China Paradise Shares not acquired by the Offeror pursuant to the Offer (the *Outstanding China Paradise Shares*).

The Offeror will in due course issue notices in relation to the compulsory acquisition of the Outstanding China Paradise Shares pursuant to Section 88 of the Cayman Islands Company Law (the *Compulsory Acquisition Notices*) to the China Paradise Shareholders holding Outstanding China Paradise Shares. Once the Compulsory Acquisition Notices are despatched, the Offeror will be entitled and bound to acquire the Outstanding China Paradise Shares on the same terms as the Offer on the expiration of one month from the date on which the Compulsory Acquisition Notices are given, unless the Grand Court of the Cayman Islands makes an order to the contrary upon the application of any China Paradise Shareholder holding Outstanding China Paradise Shares. A further announcement will be made at the time of despatch of the Compulsory Acquisition Notices.

On completion of the compulsory acquisition, it is intended that China Paradise will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the China Paradise Shares from the Stock Exchange pursuant to Rule 6.15 of the Hong Kong Listing Rules.

China Paradise Shareholders whose Outstanding China Paradise Shares are acquired by compulsory acquisition should note that they will not receive their consideration for the Outstanding China Paradise Shares until the completion of the compulsory acquisition (which is not expected to occur prior to 28 January 2007), and that there may be a further delay in the payment of the consideration for the Outstanding China Paradise Shares as the Offeror will be required under Cayman Islands Company Law to pay such consideration to China Paradise (which will hold the consideration on trust for the relevant China Paradise Shareholders) rather than directly to those China Paradise Shareholders.

China Paradise Shareholders who are in doubt as to what action to take should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser. If they are in doubt as to their rights and obligations under the provisions of the Cayman Islands Company Law in respect of the compulsory acquisition of the Outstanding China Paradise Shares, they should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands law.

#### **CLOSURE OF THE REGISTER OF MEMBERS OF CHINA PARADISE**

In order to facilitate the compulsory acquisition, the register of members of China Paradise will be closed from Wednesday, 27 December 2006 to Friday, 29 December 2006 (both dates inclusive). Any person wishing to lodge a share transfer for entry into the register of members of China Paradise must lodge such transfer, accompanied by the relevant share certificates, with the Registrar, Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event to reach the Registrar by no later than 4.00 p.m. on Friday, 22 December 2006. As the Offeror intends to despatch the Compulsory Acquisition Notices during the closure of the register of members of China Paradise and owing to the closure of the register of members of China Paradise, no further transfers of China Paradise Shares or other documents submitted by China Paradise Shareholders or any other persons will be accepted or considered in any way to be effective after 4.00 p.m. on Friday, 22 December 2006 until the register of members is reopened on Saturday, 30 December 2006.

## **WAIVER OF PUBLIC FLOAT REQUIREMENT**

China Paradise has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Listing Rule 8.08(1)(a) from the date immediately after the Final Closing Date until the withdrawal of listing of China Paradise Shares.

## **SUSPENSION OF DEALINGS**

China Paradise will apply to the Stock Exchange for the suspension of trading in China Paradise Shares from 9.30 a.m. on Thursday, 16 November 2006, being the date immediately after the Final Closing Date, up to the time of the withdrawal of listing of China Paradise Shares.

**All time references contained in this announcement are to Hong Kong time.**

By order of the board of  
**GOME Electrical Appliances Holding Limited**  
**Wong Kwong Yu**  
*Chairman*

By order of the board of  
**China Paradise Electronics Retail Limited**  
**Chen Xiao**  
*Chairman*

Hong Kong, 1 November 2006

*As at the date of this Announcement, the Executive Directors of GOME are Mr Wong Kwong Yu, Ms Du Juan, Mr Lam Pang and Mr Ng Kin Wah; the Non-Executive Director of GOME is Mr Sun Qiang Chang; and the Independent Non-Executive Directors of GOME are Messrs Michael Sze Tsai Ping, Chan Yuk Sang and Mark C. Greaves. The Directors of GOME jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than in relation to China Paradise, Mr Chen Xiao, Retail Management, and their respective affiliates) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement the omission of which would make any of their statements in this Announcement misleading.*

*As at the date of this Announcement, the Executive Directors of China Paradise are Mr Chen Xiao, Ms Shu Wei, Mr Liu Hui, Mr Yuan Yashi, Mr Ma Yawei, Mr Zhou Meng and Mr Shen Ping; the Non-Executive Director of China Paradise is Mr Julian Juul Wolhardt; and the Independent Non-Executive Directors of China Paradise are Dr. Yu Zengbiao, Mr Chu Cheng Chung and Mr Wang Bing. The Directors of China Paradise jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than in relation to GOME and Mr Wong Kwong Yu) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement the omission of which would make any of their statements in this Announcement misleading.*

Please also refer to the published version of this announcement in The Standard.