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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)**

CLOSE OF VOLUNTARY CONDITIONAL OFFER

**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**

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The Offeror announces that the Offer closed at 4.00 p.m. on Wednesday, 15 November 2006.

As at 4.00 p.m. on Wednesday, 15 November 2006, being the latest time for acceptance of the Offer, valid acceptances under the Offer had been received in respect of 2,315,123,465 China Paradise Shares, representing approximately 98.24% of the entire existing issued share capital of China Paradise as at the date of this Announcement.

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 Outstanding China Paradise Shares. Compulsory Acquisition Notices will be dispatched on or shortly after 29 December 2006 to holders of the Outstanding China Paradise Shares. Upon the completion of the compulsory acquisition, 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.

China Paradise has applied to the Stock Exchange for the suspension of trading in China Paradise Shares from 9.30 a.m. on Thursday, 16 November 2006 until the withdrawal of the listing of China Paradise Shares on the Stock Exchange.

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.

CLOSE OF THE OFFER AND LEVEL OF ACCEPTANCES

The Offeror announces that the Offer closed at 4.00 p.m. on Wednesday, 15 November 2006 (the **Final Closing Date**).

As at 4.00 p.m. on Wednesday, 15 November 2006, being the latest time for acceptance of the Offer, valid acceptances under the Offer had been received in respect of 2,315,123,465 China Paradise Shares, representing approximately 98.24% 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 valid acceptances received under the Offer, the Offeror and parties acting in concert with it have acquired or agreed to acquire 2,315,123,465 China Paradise Shares, representing approximately 98.24% 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.

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, on or shortly after 29 December 2006, 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.

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 Rule 8.08(1)(a) of the Hong Kong Listing Rules from the date immediately after the Final Closing Date until the withdrawal of listing of China Paradise Shares.

SUSPENSION OF DEALINGS

China Paradise has applied 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, until the withdrawal of the listing of China Paradise Shares on the Stock Exchange. The last day of trading of China Paradise Shares on the Stock Exchange was Wednesday, 15 November 2006.

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
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Hong Kong, 15 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) 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 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.