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GOME ELECTRICAL APPLIANCES HOLDING LIMITED

國美電器控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 493)

CONVERSION OF THE RMB1,590 MILLION US DOLLAR SETTLED 5% COUPON CONVERTIBLE BONDS DUE 2016

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company announces that it has received a Conversion Notice from the Investor to convert in full the 2016 Convertible Bonds at the Conversion Price of HK$1.108 per Conversion Share.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 22 June 2009 (the "**June 2009 Announcement**"). Capitalised terms used herein have the same meaning as those defined in the June 2009 Announcement, unless otherwise defined.

According to the terms of the 2016 Convertible Bonds, the Investor has the right, at any time during the Conversion Period, to convert the 2016 Convertible Bonds in full or in part of the outstanding principal amount into fully-paid shares of the Company by giving notice of such conversion (the "**Conversion Notice**") to the Company.

The Company announces that it has received on 15 September 2010 a Conversion Notice from the Investor to convert the 2016 Convertible Bonds in full into 1,630,702,330 Conversion Shares at the Conversion Price of HK$1.108 per Conversion Share. Upon conversion, the issued share capital of the Company would increase from 15,055,331,848 Shares to 16,686,034,178 Shares. The Investor would hold approximately 11.06% of the existing issued share capital of the Company and approximately 9.98% of the issued share capital as enlarged by the issue of the Conversion Shares.

The issue of the Conversion Shares would take place on 22 September 2010. The 2016 Convertible Bond would be cancelled upon the issue of the Conversion Shares.

By Order of the Board of
GOME Electrical Appliances Holding Limited
Chen Xiao
Chairman

15 September 2010, Hong Kong

As at the date of this announcement, the Board of the Company comprises Mr. Chen Xiao, Mr. Ng Kin Wah, Mr. Wang Jun Zhou, Ms. Wei Qiu Li and Mr. Sun Yi Ding as executive directors; Mr. Zhu Jia, Mr. Ian Andrew Reynolds and Ms. Wang Li Hong as non-executive directors; and Mr. Sze Tsai Ping, Michael, Mr. Chan Yuk Sang and Mr. Thomas Joseph Manning as independent non-executivedirectors.

* *For identification purpose only*