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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)

ANNOUNCEMENT POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors (the “**Board**”) of GOME Electrical Appliances Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that, for the twelve-month period ended 31 December 2014 (the “**Reporting Period**”), the Group’s operational capability continued to improve and multiple business KPIs have increased as a result of the low-cost high-efficient supply chain. Such increases will be fully reflected in the financial results of the Group. These are the results of the “Open Omni-Channel Retailer” strategic guideline adopted by the Group, and the Group will continue its efforts to build an industry-leading operating platform on the basis of the “Omni-Channel” cored business model.

Based on the preliminary review of the latest management accounts of the Group, (1) revenue of the Group during the Reporting Period increased as compared with the corresponding period last year, with revenue from comparable stores expected to grow by between 4.5% and 5%, total e-commerce transaction amount (including transaction amount from the marketplace) is expected to grow by more than 80% as compared with the corresponding period last year while total e-commerce transaction amount for the fourth quarter is expected to grow by more than 100% as compared with the corresponding period last year; (2) during the Reporting Period, consolidated gross profit margin of the Group is expected to exceed 18%; (3) during the Reporting Period, expense ratio of the Group have been reduced as compared with the corresponding period last year; and (4) due to revenue growth, a steady improvement to the consolidated gross profit margin and the decline in expense ratio, the profit attributable to owners of the parent company of the Group is expected to increase by approximately 40% as compared with the corresponding period last year while net profit margin is expected to exceed 2%.

The information contained in this announcement is only based on the preliminary review by the Company's management and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. Such information is subject to finalization and if the finalized information differs significantly from the estimation set forth in this announcement, the Company will provide updates on a timely basis. Shareholders and potential investors are advised to read carefully the 2014 annual results announcement of the Company which is expected to be published in March 2015.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
GOME Electrical Appliances Holding Limited
Zhang Da Zhong
Chairman

Hong Kong, 22 January 2015

As at the date of this announcement, the Board of the Company comprises Mr. Zou Xiao Chun as executive director; Mr. Zhang Da Zhong, Mr. Zhu Jia and Ms. Wang Li Hong as non-executive directors; and Mr. Sze Tsai Ping, Michael, Mr. Chan Yuk Sang, Mr. Lee Kong Wai, Conway, Mr. Ng Wai Hung and Ms. Liu Hong Yu as independent non-executive directors.

* *For identification purpose only*