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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)

### PROFIT WARNING ANNOUNCEMENT

This announcement is made by GOME Retail Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby notifies shareholders and potential investors of the Company that during the period ended 30 June 2022 (the “**Reporting Period**”), in light of changes in the current market situation, the Group took improving future operational efficiency as its key strategic target. Through reorganisation of business segments and optimisation of asset structure, the profitability of the listed company was ultimately improved. The Group used technological means to help the digital transformation of enterprises and improved consumer service experience throughout the process.

To this end, the management strategically focused on the core businesses of the Group. The vertical model was utilised to focus on the deepening, penetration and proper implementation of retail sales of household appliances and consumer electronic products as the core businesses of the Group. Five main profit models have been formed: exhibition (offline boutique experience), marketing (online and offline omni-channel self-management + sharing supply chain), integrated solutions for home electronics products, extension products for wide scope home appliances and value-added services (delivery and installation, after-sales, extended warranty, paid membership operation, etc.).

In the first half of 2022, the further tightened policies on COVID-19 pandemic control and market consumption environment have posed more challenges to retail industry. The Group’s businesses were also affected. Based on the preliminary review of the latest management accounts of the Group, the sales revenue during the Reporting period is expected to decline by approximately 45% to 55% compared with the corresponding period last year. The Group’s loss attributable to owners of the parent during the Reporting Period is expected to be between RMB2,500 million and RMB3,000 million (including considering the impact of the above business transformation, the Group will be more focused on its core businesses of appliances retail, therefore made part of provisions for one-off impairment of inventories, receivables, prepayments, etc., amounted to approximately RMB700 million to RMB1,200 million), as compared with a loss of RMB1,974 million for the corresponding period last year.

As the management promoted strategic focus in tune with the times, the Group, in the development process of our existing full-scenario professional platform, will rapidly factorise operation and regain strengths in the market competition through continuous improvement of operation efficiency and profitability. The management team of the Group will also seize valuable opportunities arising from the times and market by means of lean management, resources integration and business synergy. Empowered by synergy, the values of the Group's core businesses will be multiplied, and will directly contribute to our operations. Also, we will strengthen interactions with external strategic partners for a closer and deeper cooperation, empowering each other in terms of goods, services, traffic and technologies, mutually boost the upgrading and iteration of retail industry, and meet Chinese households' demand for a better lifestyle.

The information contained in this announcement is only based on a preliminary review by the Company's management and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company. Such information is subject to finalisation and if the finalised 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 results announcement of the Company for the Reporting Period which is expected to be published by the end of August 2022.

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

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

Hong Kong, 26 August 2022

*As at the date of this announcement, the Board comprises Mr. Zou Xiao Chun and Ms. Huang Xiu Hong as executive directors, Mr. Zhang Da Zhong and Ms. Dong Xiao Hong as non-executive directors, and Mr. Lee Kong Wai, Conway, Ms. Liu Hong Yu and Mr. Wang Gao as independent non-executive directors.*

*\* For identification purpose only*