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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)

QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE AUDITOR'S DISCLAIMER OF OPINION

References are made to the annual report of GOME Retail Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2024 ("**FY2024**") published on 30 April 2025 (the "**2024 Annual Report**"), the quarterly update announcements of the Company dated 30 July 2025, 30 October 2025 and 30 January 2026, and the annual report of the Company for the year ended 31 December 2025 ("**FY2025**") published on 30 April 2026 (the "**2025 Annual Report**", together with the 2024 Annual Report, the "**Annual Reports**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Annual Reports.

The board of directors (the "**Board**") of the Company wishes to provide shareholders of the Company and potential investors with the latest update on the Group.

As disclosed in the Annual Reports, the auditor of the Company did not express an opinion on the consolidated financial statements of the Group for FY2024 and FY2025 (the "**Disclaimer of Opinion**") due to multiple uncertainties relating to going concern, the details of which are set out in the Annual Reports. The Company has been implementing and will continue to implement the action plan as set out in the Annual Reports (the "**Action Plan**") to address the Disclaimer of Opinion.

The Company hereby provides updates on the implementation of the Action Plan up to the date of this announcement, as follows:

(i) conversion of debts into the Company's shares with certain suppliers, service providers, landlords, financial institutions and convertible bond holders or other creditors

On 16 January 2026, the Company entered into subscription agreements with 上海金鉑鼎企業服務有限公司 (Shanghai Jinboding Enterprise Services Co., Ltd., agent of financial service providers of the Group, "**Shanghai Jinboding**") and its nominee, and China TaiYue Technology Limited (agent of technical service providers of the Group, "**China TaiYue Technology**"). Pursuant to the relevant subscriptions, the Group intends to repay debts of approximately RMB290 million and RMB46.8 million owed to Shanghai Jinboding and China TaiYue Technology respectively, through debt-to-equity swap arrangements. Details of the subscriptions are set out in the Company's announcement of the same date. By addressing the relevant debts without exerting further pressure on the Group's cash flow, such subscriptions have significant positive implications. On one hand, it optimises the overall asset-liability structure of the Group through a capital arrangement, and partially resolves significant debt and judicial risks at the subsidiary level; on the other hand, it stabilises relationships with major creditors and business partners.

On 23 March 2026, the Company completed the allotment and issue of 21,618,533,333 shares and 3,489,819,180 shares to Shanghai Jinboding and China TaiYue Technology in settlement of the aforesaid debts, respectively.

It is believed that completion of the aforementioned subscriptions can serve as a feasible demonstration case for handling debt issues with relevant creditors, providing new ideas and options for debt resolution decisions.

(ii) negotiation with convertible bond holders for restructuring the convertible bonds

The Company has reached a repayment agreement with JD.com, holder of outstanding convertible bonds. The relevant transaction plan was announced in the announcement dated 31 March 2025 and the circular dated 30 June 2025, and was approved with 99.99% of votes at the Company's special general meeting on 17 July 2025 (details of which are set out in the announcement of the same date). Both parties are currently progressing with the transfer of the relevant assets as stipulated in the agreement.

The Company has provided Pinduoduo ("**PDD**"), holder of outstanding convertible bonds of US$200 million, with a list of assets that may be used for such settlement arrangement. PDD is currently evaluating the status of these assets and conducting due diligence. The Company will continue its discussions with PDD with an aim to reach a debt resolution plan as soon as practicable.

(iii) renewal and extension of the repayment due date of existing secured borrowings from financial institutions upon maturity

As mentioned above, the Company has reached debt-to-equity swap arrangements with Shanghai Jinboding and China TaiYue Technology for an aggregate debt of RMB336.8 million, and has entered into the subscription agreements, which were completed on 23 March 2026. This transaction serves as a feasible demonstration case for the Company to handle debt issues with other creditors, providing reference and confidence for other creditors who are currently still observing.

The Company is also continuing discussions with other financial institutions on similar repayment or settlement solutions. For financial institutions that do not accept the debt-to-equity swap arrangement, the Company is discussing with them to gradually resolve the historical debt issue through cash repayment and/or other means, after the completion of arrangements with credit financial institutions that accepted the debt-to-equity swap proposal, restoration of the Company's basic operations, improvement in cash flow, or effective disposal and realisation of the property assets.

(iv) negotiation with lenders for revising the loan covenants and not demanding immediate repayment of existing loan payables due to the breach of loan covenants

The Company has been actively negotiating with various financial institutions on its debt resolution plans and is hoping that the successful completion of the debt-to-equity swap with Shanghai Jinboding as mentioned above will have a positive demonstrative effect for other financial institutions to consider and accept such debt resolution arrangements.

(v) negotiation with the major suppliers and service providers for reactivating the existing credit limit and resumption of supply of goods

At present, the supply chain of the Group has not yet been fully restored. However, following completion of the debt-to-equity swap as mentioned above, besides China TaiYue Technology has resumed the provision of technical system services to the Group. Regarding other major suppliers, the Company is still negotiating with them on the terms of the debt-to-equity swap arrangements. As at the date of this announcement, no further progress has been made.

(vi) sale of the Group's properties

The Group currently has three property projects and logistics bases available for sale in Shanghai, Xi'an and Chengdu, respectively. As at the date of this announcement, the Group has entered into a sale agreement with a buyer for the Chengdu property and completion of the sale is expected to take place in 2026. The proceeds from the sale of the property will primarily be used to repay loans from financial institutions and project fees. The Company has been and will continue to search for potential buyers through direct engagement with companies that have potential demand for commercial properties and logistics bases, as well as through intermediaries who help to identify and introduce potential buyers.

(vii) other fund-raising

The Group has been in active negotiations with potential investors to invest in the Company in order to improve the Company's capital structure. As at the date of this announcement, no concrete or definitive agreement or memorandum of understanding has been entered into by the Group.

The Board will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible.

In addition, considering that the current market conditions are significantly below the expectations when the Action Plan was first formulated, the Company does not exclude the possibility of seeking a more comprehensive holistic offshore debt solution as part of the Action Plan. Currently, the Company is assessing its assets and liabilities and discussing different structures with its advisers with a view to achieving the target deleveraging. The Company calls for patience and continued support from creditors to the Company, allowing the Company time to assess the current situation and work with its advisors to develop the most pragmatic and optimal debt solution for all stakeholders.

The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

By Order of the Board
GOME RETAIL HOLDINGS LIMITED
ZOU Xiao Chun
Executive Director

Hong Kong, 30 April 2026

As at the date of this announcement, the Board comprises Mr. Zou Xiao Chun, Mr. Ding Jiang Ning and Ms. Wei Ting as executive directors and Mr. Wang Gao, Mr. Lui Wai Ming and Mr. Liu Yin Hong as independent non-executive directors.