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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)

DISCLOSEABLE TRANSACTION
DEBT SETTLEMENT AGREEMENT

THE AGREEMENT

On 19 May 2026, the Company, Subsidiary A, Subsidiary B, Subsidiary C, Subsidiary D, Subsidiary E, Subsidiary F, Subsidiary G, Subsidiary H and the Creditor entered into the Agreement, pursuant to which Subsidiary H shall transfer the Property to the Creditor to settle the equivalent outstanding amount payable by the Debtors to the Creditor in principal amount of RMB48,040,000 together with accrued interest and costs.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

THE AGREEMENT

On 19 May 2026, the Company, Subsidiary A, Subsidiary B, Subsidiary C, Subsidiary D, Subsidiary E, Subsidiary F, Subsidiary G, Subsidiary H and the Creditor entered into the Agreement, pursuant to which Subsidiary H shall transfer the Property to the Creditor to settle the equivalent outstanding amount payable by the Debtors to the Creditor in principal amount of RMB48,040,000 together with accrued interest and costs.

The principal terms of the Agreement are summarised below:

Subject matter, Consideration and Payment Terms

The parties to the Agreement have agreed that the outstanding amount payable by the Debtors to the Creditor (principal amount of RMB48,040,000 together with accrued interest and costs) shall be offset based on the same amount against the transfer of the Property by Subsidiary H to the Creditor, at a consideration of RMB48,040,000 together with accrued interest and costs. As at 19 May 2026, the accrued interest and cost was RMB5,982,000.

Pursuant to the Agreement, Subsidiary H shall, within 10 business days of the Agreement, procure release of any encumbrances over the Property and transfer the Property to the Creditor, upon completion of which the debt owing by the Debtors to the Creditor shall be deemed settled, and the Creditor shall cease to have any debt claim against the Debtors.

Basis for Determining the Consideration

The consideration for the transfer of the Property has been determined based on normal commercial terms and after arm's length negotiations among the parties with reference to, among other things, the details of the Property as set out in the section headed "INFORMATION ON THE PROPERTY" below and the appraised value of the Property by the independent qualified valuer of RMB39,290,400 as at 31 October 2025 and the prevailing market conditions.

Valuation

Details of the valuation of the Property are set out below:

(1) Valuation method

The valuation was performed under a combination of the income approach and the market approach, with a 60% weighting and 40% weighting respectively. The income approach refers to a general term for various valuation methods that determine the value of the valuation subject by capitalising its expected income. The market approach, also known as comparison approach and market comparison approach, refers to the general term for evaluation methods that determine the value of valuation subject based on the market price of the comparable reference objects by comparing the valuation subject with comparable reference objects. A combined approach avoids the limitation of the market approach in reflecting long-term growth potential of the valuation subject, while mitigating the uncertainties in connection with the inputs or parameters used in the income approach. A heavier weighting was given to the income approach to highlight the expected long-term income generating capability of the valuation subject.

As income approach and market approach better reflect the objective market value of the valuation object as compared to cost approach and cost approach will only be adopted as a supplementary valuation approach in the case that both income approach and market approach are not suitable in the absence and inadequacy of market reference, the cost approach was not chosen for this valuation.

(2) Valuation assumptions

1. For an asset traded or intended to be traded in the market, both parties involved in trading have equal status, and have the opportunity and time to obtain sufficient market information, in order to make rational judgment about the function, use, and trading price of the asset. The asset can be bought and sold publicly in the market.

2. The assets will continue to be used for their existing purpose.

3. The asset will remain in the original place or the original place of installation for continuous use.

4. All assets to be valuated have been already in the process of being traded, and the valuers value them based on simulated markets such as the trading conditions of the assets to be valuated.

5. There will be no major changes in the current laws and policies, national macroeconomic environment and the political, social and economic environment in which the parties to the Agreement are located.

6. There will be no force majeure factors and unforeseeable factors causing material adverse impact on the holder of the Property.

7. The information provided by the client and relevant parties is true, accurate and complete.

8. The encumbrance over the Property will be discharged and the Property will be capable of being used or rented out normally.

(3) Key parameters

(a) Income approach

The valuation method for calculating the value of the Property using income approach is as follows:

V=A1/(1+r)^(1/2)+A2/(1+r)^(1+1/2)+……An/(1+r)^(n-1+1/2)+V1

Where:

1. A1 = the annual net income of the first year;

2. A2 = the annual net income of the second year;

3. An = the annual net income of the nth year;

The annual net income was determined using market approach whereby the valuer collected specific transaction examples that are within the same supply and demand circle as the appraised object and have the same purpose as the appraised object. A comparability analysis was conducted for the specific appraised object, appraised purpose, and valuation time point. The transaction prices of the selected comparable examples were standardised to establish a comparative basis, with necessary adjustments made to derive the most probable reasonable rental achievable for the appraised object. For this valuation, the valuer referenced three comparable examples in similar district as the Property. The daily rental income of comparable cases adopted was approximately RMB2.74 per square meter per day (before taking into account adjustments for different levels and other factors).

4. r = remuneration rate (7%);

5. n = income period (22.67 years, taking into account the fact that the land use right will expire on 21 June 2048);

6. V1 = value beyond the income period.

Based on the above calculation, the value of the Property was RMB4,167 per square meter. Based on an aggregate gross floor area of approximately 6,954.28 square meters, the valuation of the Property using income approach was RMB28,977,300.

(b) Market approach

The valuation method for calculating the value of the Property using market approach is as follows:

Valuation = comparable example transaction price × transaction condition adjustment coefficient × transaction time adjustment coefficient × district condition adjustment coefficient × property condition adjustment coefficient × rights condition adjustment coefficient

The valuer collected specific transaction examples that are within the same supply and demand circle as the appraised object and have the same purpose as the appraised object. A comparability analysis was conducted for the specific appraised object, appraised purpose, and valuation time point. The transaction prices of the selected comparable examples were standardised to establish a comparative basis, with necessary adjustments made to derive the most probable reasonable market price achievable for the appraised object.

For this valuation, the valuer referenced three comparable examples in similar district as the Property. The transaction time for all three examples fell within 2025, and the transaction circumstances, market conditions, and real estate conditions were all similar.

The average value of comparable cases adopted was approximately RMB16,980 per square meter for the first floor. After taking into account adjustments for different levels, heights and gross floor areas, the value of the Property was RMB16,980 per square meter for the first floor, RMB8,660 per square meter for the mezzanine floor, RMB8,232 per square meter for the second floor, RMB6,586 per square meter for the third floor, RMB4,939 per square meter for the fourth floor, and RMB4,939 per square meter for the fifth floor, resulting in an average value of RMB7,874 per square meter. Based on an aggregate gross floor area of approximately 6,954.28 square meters, the valuation of the Property using market approach was RMB54,760,000.

(c) Valuation result

Based on the above, the valuation of the Property using income approach was RMB28,977,300, while the valuation of the Property using market approach was RMB54,760,000. Adopting a 60% to 40% weighting, the valuation of the Property was RMB39,290,400.

INFORMATION ON THE PROPERTY

The Property is held by Subsidiary H, located at 中華人民共和國福建省泉州市豐澤區溫陵南路153號銀聯商廈一至五層（含夾層）(1/F to 5/F (including the mezzanine) of UnionPay Commercial Building, No. 153 Wenling South Road, Fengze District, Quanzhou City, Fujian Province, People's Republic of China*), with an aggregate gross floor area of approximately 6,954.28 square meters. The Property is used for commercial purpose.

As at 31 December 2025, the book value of the Property was RMB64,302,400. For the years ended 31 December 2024 and 2025, there was no rental income for the Property.

INFORMATION ON THE PARTIES

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in investment holding. The principal activities of the Group are the operation and management of retail stores and online sales network for electrical appliances, consumer electronic products, liquor products and general merchandise, as well as the provision of franchise and management services and commission-based services to franchised stores in the People's Republic of China.

Each of Subsidiary A to Subsidiary G is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in logistics procurement services.

Subsidiary H is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in property holding.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Creditor is a company established in the PRC, and is principally engaged in the distribution and marketing services for the general smart terminal (IoT) industry, covering distribution, channel management and supply chain services for mobile phones, tablets, smart devices and other electronic products. The Creditor is owned as to 70% by 中國電子科技集團有限公司(China Electronics Technology Group Corporation*) (which is in turn wholly owned by 國務院國有資產監督管理委員會(State-owned Assets Supervision and Administration Commission of the State Council (SASAC)) and as to 30% by 6 other shareholders including 北京鼎泰通投資管理有限公司 (Beijing Dingtaitong Investment Management Co., Ltd.*), etc. as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, each of the Creditor and its ultimate beneficial owners is independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

As set in the annual report of the Company for the year ended 31 December 2025 published on 30 April 2026, and the quarterly update announcements published by the Company from 30 July 2025 to 30 April 2026, the Company has been negotiating with major suppliers, financial institutions, and other creditors on the terms of the debt settlement. The Creditor is a creditor of the Group in the ordinary and usual course of business of the Group. The Group expects to repay debt of approximately RMB54,022,000 in aggregate through the Agreement. The Agreement and the transactions contemplated thereunder will assist the Company in partially addressing its debt risks, which will support the restoration of the Company's overall creditworthiness and long-term business operations. The Group will not receive any cash proceeds from the Agreement and the transactions contemplated thereunder.

In light of the above, the Directors consider that the terms of the Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the entering into of the Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement: (i) if there is any inconsistency between the Chinese name of any document, or entity or enterprise established in the PRC, and its English translation, the Chinese name shall prevail. The English translation of names or any descriptions in Chinese which are marked with "*" is for identification purpose only; and (ii) the following expressions shall, unless the context requires otherwise, have the following meanings:

"Agreement"	the debt settlement agreement dated 19 May 2026 and entered into between the Company, Subsidiary A, Subsidiary B, Subsidiary C, Subsidiary D, Subsidiary E, Subsidiary F, Subsidiary G, Subsidiary H and the Creditor, in relation to, among other things, the debt settlement arrangement between the Debtors, Subsidiary H and the Creditor;
"Board"	the board of Directors
"Company"	GOME Retail Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 493);
"Creditor"	中電科太力通信科技有限公司(CETC Taili Telecommunications Technology Co., Ltd.*), a company established in the PRC; and
"Debtors"	collectively, the Company, Subsidiary A, Subsidiary B, Subsidiary C, Subsidiary D, Subsidiary E, Subsidiary F and Subsidiary G;

"Director(s)"	the director(s) of the Company;
"Group"	collectively, the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the legal currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Property"	the property located at 中華人民共和國福建省泉州市豐澤區溫陵南路153號銀聯商廈一至五層(含夾層) (1/F to 5/F (including the mezzanine) of UnionPay Commercial Building, No. 153 Wenling South Road, Fengze District, Quanzhou City, Fujian Province, People's Republic of China*), held by Subsidiary H, details of which are set out in the section headed "INFORMATION ON THE PROPERTY" in this announcement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	ordinary share(s) in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiary A"	重慶盛安通略商貿有限公司(Chongqing Sheng'an Tonglue Trading Co., Ltd.*), a company established in the PRC;
"Subsidiary B"	天津盛源鵬達物流有限公司(Tianjin Shengyuan Pengda Logistics Co., Ltd.*), a company established in the PRC;
"Subsidiary C"	國美領馭電器銷售有限公司(GOME Lingyu Electric Appliance Sales Co., Ltd.*), a company established in the PRC;
"Subsidiary D"	西寧國美電器有限公司(Xining GOME Appliances Co., Ltd.*), a company established in the PRC;
"Subsidiary E"	南寧國美物流有限公司(Nanning GOME Logistics Co., Ltd.*), a company established in the PRC;

"Subsidiary F"	新銳美電子科技(上海)有限公司(Xinruimei Electronic Technology (Shanghai) Co., Ltd.*), a company established in the PRC;
"Subsidiary G"	海南國美泰達物流有限公司(Hainan GOME Taida Logistics Co., Ltd.*), a company established in the PRC;
"Subsidiary H"	北京鵬澤物業有限公司(Beijing Pengze Real Estate Co., Ltd.*), a company established in the PRC;
"%"	per cent.

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

Hong Kong, 19 May 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.

* *For identification purpose only*