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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, 30 January 2026, 30 April 2026 and 30 July 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 as at the date of this announcement, as follows:

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

As mentioned in the Company's previous quarterly update announcements, the Company has entered into debt-to-equity swap arrangements with 上海金鉑鼎企業服務有限公司 (Shanghai Jinboding Enterprise Services Co., Ltd.*, "**Shanghai Jinboding**", being an agent of a financial service provider of the Group) and its nominee, as well as China TaiYue Technology Limited ("**China TaiYue Technology**", being an agent of a technical service provider of the Group). The allotment and issue of shares thereunder were completed on 23 March 2026, and the relevant debts have been repaid. As at the date of this announcement, no new substantive progress has been made in the relevant negotiations with other creditors. Although the Company has provided the aforesaid transaction arrangements to other creditors as a successful case for reference, such creditors have concerns about similar arrangements or there are difficulties in implementation. The relevant work is therefore progressing relatively slowly.

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

The Company published a circular on 30 June 2025 announcing the arrangements for repayment of the remaining convertible bond indebtedness owed to the convertible bondholder JD.com, which were passed by a high majority vote at the Company's special general meeting held on 17 July 2025. Thereafter, the Company and JD.com have been progressing the transfer and closing of the relevant assets in accordance with the agreement. However, due to the impact of external factors, difficulties arose in the closing process of the original arrangements, making it difficult to continue the implementation. Following friendly negotiations with JD.com, the parties have recently proposed to enter into an alternative arrangement, pursuant to which the Company intends to transfer a trading financial asset to JD.com to settle part of the convertible bond indebtedness, and then to issue shares to JD.com to repay all the remaining indebtedness. As at the date of this announcement, the parties are finalising the text of the definitive agreements in respect of the relevant arrangements and no definitive agreement has been entered into. Further announcement(s) will be made by the Company as and when appropriate in accordance with the requirements of the Listing Rules.

The Company and Pinduoduo (being the holder of US$200 million outstanding convertible bonds) are still in negotiations regarding the settlement of debts by way of asset disposal. As at the date of this announcement, there is no further update.

(iii) negotiation with other creditors on the outstanding indebtedness

The Company continues to negotiate with other creditors, including financial institutions, on the settlement of debts, including by way of debt-to-equity swap, using the Company's successful debt-to-equity swap arrangements with Shanghai Jinboding and China TaiYue Technology as demonstration cases for their reference. However, the relevant negotiations are still progressing slowly and, as at the date of this announcement, no further substantive progress has been made.

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

Apart from the completion of the debt-to-equity swap with China TaiYue Technology and its resumption of providing technical system services to the Group, as at the date of this announcement, no further progress has been made in respect of other major suppliers. However, as mentioned in the previous quarterly update announcement dated 30 July 2026, in order to optimise its financial structure and explore new growth drivers, the Company acquired 51% of the equity interest of Revoblue (Asia) Enterprise Limited (the "**Target Company**") by way of issuing consideration shares (details of the transaction are set out in the Company's announcements dated 5 June 2026 and 30 June 2026). The Target Company is principally engaged in the trading of health products and the provision of store operation and management services, and is in a rapid growth stage. Based on its historical operating data, the acquisition is expected to gradually improve the Group's financial indicators such as revenue, profit and cash flow after consolidation.

(v) 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 by the end of 2026. The proceeds from the sale of the property will primarily be used to repay loans from financial institutions and project payments. 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. Furthermore, on 19 May 2026, the Group transferred a 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 a subsidiary of the Company, to settle an aggregate debt of approximately RMB54,022,000 owing to 中電科太力通信科技有限公司(CETC Taili Telecommunications Technology Co., Ltd.*, a creditor of the Group in the ordinary and usual course of business) (details are set out in the Company's announcement dated 19 May 2026).

(vi) 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.

Notwithstanding that the Board and management are pursuing the various Action Plan measures set out above, all or some of such measures are subject to material uncertainties. Binding agreements have not been reached in respect of certain negotiations, and asset disposals, debt restructurings and fund-raising activities may not be implemented as anticipated. Even if certain Action Plan measures are completed, they may not be sufficient to resolve the going-concern uncertainties that gave rise to the auditor's Disclaimer of Opinion on the consolidated financial statements.

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 is considering 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 audit committee of the Company has reviewed this quarterly update announcement and the progress in the implementation of the Action Plan. The audit committee notes that progress in several debt-related negotiations and asset disposals has fallen behind the original plan, mainly due to creditors' concerns over restructuring proposals such as debt-to-equity swaps and adverse external market conditions. The audit committee has questioned management on the causes of such delays, the measures currently in place, and the feasibility of the comprehensive holistic offshore debt solution. The audit committee is aware that each measure under the Action Plan is subject to material uncertainties. It will continue to monitor management's implementation of the Action Plan and maintain communications with the auditor.

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.

Shareholders and potential investors are advised to exercise caution when dealing in the Company's shares.

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

Hong Kong, 30 October 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*