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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)

PROPOSED ADDITIONAL ISSUE OF US\$ BONDS

Reference is made to the announcements of the Company dated 28 February 2017 and 6 March 2017 in relation to the Original Bonds Issue.

The Company proposes to conduct a further international offering of US\$ denominated senior fixed rate bonds on terms and conditions of the Original Bonds, save for the issue date and the offering price.

The pricing of the proposed Additional Bonds, including the aggregate principal amount and the offer price for the Additional Bonds, will be determined through a book building exercise conducted by Barclays as the sole global co-ordinator, sole bookrunner and sole lead manager. Upon finalising the terms of the Additional Bonds, Barclays and the Company will enter into the Subscription Agreement.

The Company intends to use the proceeds of the Additional Bonds for its business operations overseas and other general corporate purposes overseas.

The Original Bonds are listed on the SGX-ST. The Company will procure that the Additional Bonds will also be listed on the SGX-ST. An application will be made for the listing of the Additional Bonds on the SGX-ST.

As no binding agreement in relation to the Proposed Additional Bonds Issue has been entered into as at the date of this announcement, the Proposed Additional Bonds Issue may or may not materialise. Investors and shareholders of the Company are reminded to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Additional Bonds Issue will be made by the Company should the Subscription Agreement be signed.

Reference is made to the announcements of the Company dated 28 February 2017 and 6 March 2017 in relation to the Original Bonds Issue.

THE PROPOSED ADDITIONAL BONDS ISSUE

Introduction

The Company proposes to conduct a further international offering of US\$ denominated senior fixed rate bonds on terms and conditions of the Original Bonds, save for the issue date and the offering price.

Completion of the Proposed Additional Bonds Issue is subject to, among others, market conditions and investors' interest.

The pricing of the proposed Additional Bonds, including the aggregate principal amount and the offer price for the Bonds, will be determined through a book building exercise conducted by Barclays as the sole global co-ordinator, sole bookrunner and sole lead manager. Upon finalising the terms of the Additional Bonds, Barclays and the Company will enter into the Subscription Agreement, pursuant to which Barclays will subscribe or procure subscribers for the Additional Bonds. The Company will make further announcement in respect of the Proposed Additional Bonds Issue upon the execution of the Subscription Agreement.

The Additional Bonds have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdictions, and will not be offered or sold within the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities law in the United States. None of the Additional Bonds will be offered to the public in Hong Kong by the Company.

Reason for the Proposed Additional Bonds Issue

The Company is principally engaged in the retailing of electrical appliances and consumer electronic products through a network of retail stores and e-commerce platforms in the PRC.

The Proposed Additional Bonds Issue is being undertaken for the Group's business operations overseas and other general corporate purposes overseas. The Company may adjust its development plans in response to changing market conditions and thus may reallocate the use of proceeds accordingly.

Listing

The Original Bonds are listed on the SGX-ST. The Company will seek a listing of the Additional Bonds on the SGX-ST. An application will be made for the listing of the Additional Bonds on the SGX-ST. Admission of the Additional Bonds to and the listing of the Additional Bonds on the SGX-ST are not to be taken as an indication of the merits of the Company or the Additional Bonds. No listing of the Additional Bonds has been sought in Hong Kong by the Company.

GENERAL

As no binding agreement in relation to the Proposed Additional Bonds Issue has been entered into as at the date of this announcement, the Proposed Additional Bonds Issue may or may not materialise. Investors and shareholders of the Company are reminded to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Additional Bonds Issue will be made by the Company should the Subscription Agreement be signed.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Additional Bonds”	the US\$ denominated senior fixed rate bonds to be issued by the Company, to be consolidated and form a single series with the Original Bonds;
“Barclays”	Barclays Bank PLC, the sole global co-ordinator, sole bookrunner and sole lead manager to the offer and sale of the Additional Bonds;
“Board”	the board of Directors;
“Company”	GOME Electrical Appliances Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Original Bonds”	the 5.0% bonds due 2020 in the aggregate principal amount of US\$400,000,000 issued by the Company on 10 March 2017;
“Original Bonds Issue”	the issue of the Original Bonds by the Company;
“PRC”	the People’s Republic of China;
“Proposed Additional Bonds Issue”	the proposed issue of the Additional Bonds by the Company;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscription Agreement” the agreement proposed to be entered into between the Company and Barclays in relation to the Proposed Additional Bonds Issue; and

“US\$” United States dollar, the lawful currency of the United States of America.

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

Hong Kong, 20 June 2017

As at the date of this announcement, the Board of the Company comprises Mr. Zou Xiao Chun as executive director; Mr. Zhang Da Zhong, Ms. Huang Xiu Hong and Mr. Yu Sing Wong 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.*