




GOME's future is in your hands

Special General Meeting: 28 September 2010

Dear shareholder,

After two tough years for our business, we are back to strength. We unveiled near record results – with revenue strongly ahead, profit margins improving further, and a significant increase in same store sales.

We have come a long way since the dark days of 2009, following the arrest of our major shareholder, Wong Kwong Yu. Then cash liquidity ran low; relations with banks and suppliers were strained almost to breaking. Management worked together to bring stability back to the company, improving governance and operations along the way.

Our half year results are just the start. With our results, we also set out our five-year plan to double store numbers and accelerate our profitability. We will bring a wider store footprint, an enhanced shopping experience and a better and more profitable relationship with suppliers.

Mr. Wong has called for a special general meeting (SGM) and proposed a vote to replace me and one other director with his sister and his former lawyer. He also wants to remove the flexibility the Board currently has to issue shares and raise capital.

We have set a date of 28 September for the SGM, at which these votes will be considered. However, the Board of GOME strongly believes we should oppose these resolutions, in the interests of all shareholders.

We will seek to keep shareholders up to date on latest developments with this situation. We have set up a website – www.gomeontrack.com.hk – and urge you to visit for updates, or shareholders can call our helpline on **+852 3769 8388**.

Yours sincerely,

Chen Xiao
Chairman of GOME

2010 First Half Results Record Achievement

- Higher individual store efficiency
 - Closed down 25 underperforming stores
 - Opened new 39 stores
 - Remodeled 75 stores
- Compared with 2009 first half
 - Revenue: RMB24,873 million; up 21.6%
 - Operating profit: RMB1,249 million; up 86.1%
 - Profit attributable to equity holders: RMB962 million; up 65.9%
 - Consolidated gross profit margin: 17.0%
 - Same store sales: up 24.8%

Five-Year Blue Print Long Term Value Creation

- Expand store network to maintain market leadership:
 - 700 net new = 1,400 listed co stores by 2014 end
 - Expected cumulative additional revenue = RMB30-35 billion
- Increase operating productivity and efficiency:
 - Increase sales per square meter
 - Expected cumulative additional revenue = RMB5-8 billion
- Improve customer and vendor relationships
 - Better supply chain management
 - Expected cumulative additional revenue = RMB4-6 billion
- Develop new businesses
 - E-commerce and more product categories
 - Expected cumulative additional revenue = RMB10-20 billion

Please visit www.gomeontrack.com.hk